



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company

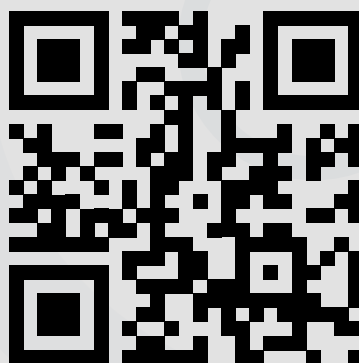
ANNUAL REPORT

2025



Zahrat Al Waha Trading Company

We are pleased to present the annual report that showcases the business activities and performance of Zahra Al Wahah Trading Company for the fiscal year ended December 31, 2025, in accordance with the applicable regulations and disclosure requirements set forth in the regulations and directives issued by the Capital Market Authority.



www.zaoasis.com

Hir Royal Highness Prince

Mohammed Bin Salman Bin Abdulaziz Al Saud

Crown Prince And Prime Minister

Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz Al Saud



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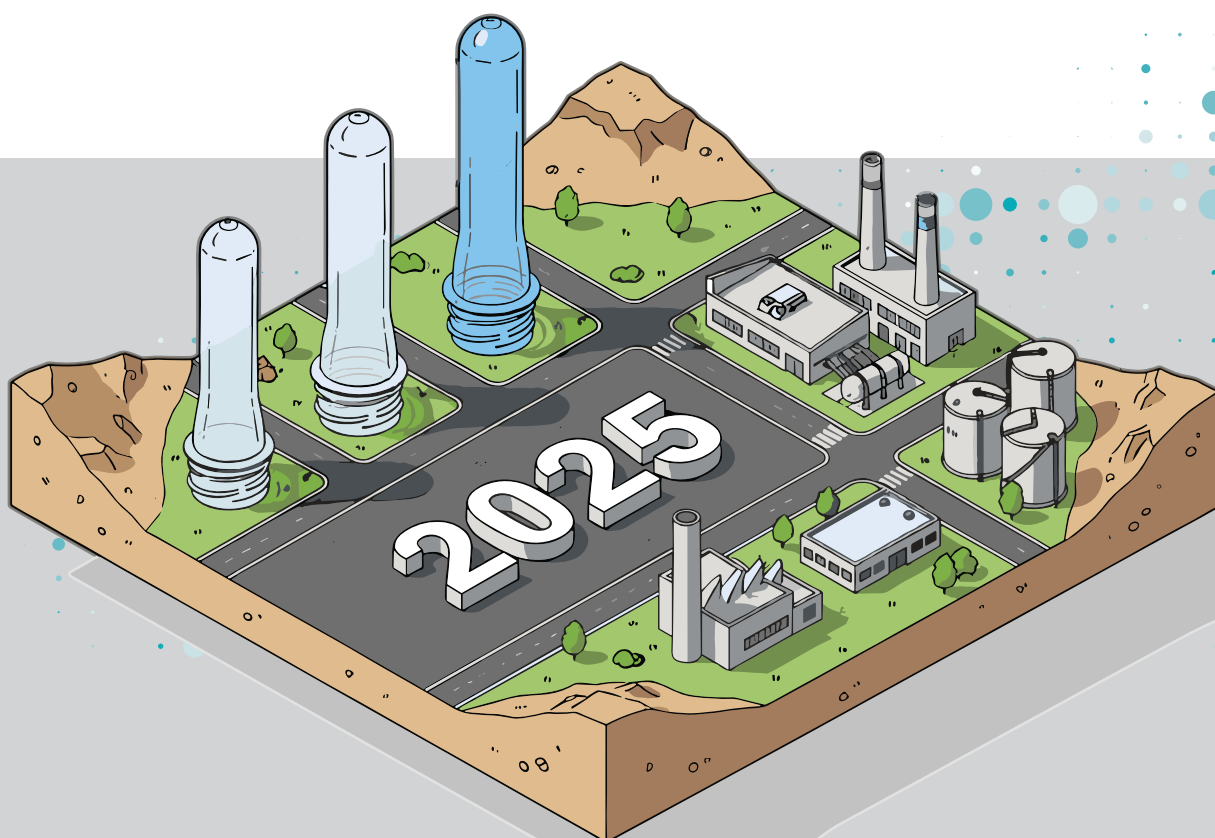
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Chairman message

Dear Shareholders,

It is my pleasure to present to you the achievements of another year in the journey of Zahrat Al Waha Trading Company, a year characterized by deliberate transformation, corporate discipline, and enhanced readiness for longterm growth in a sector witnessing rapid competition and evolving structural changes.

During 2025, the Board of Directors focused on steering the company towards strengthening the foundations upon which its performance is built, whether through supporting well-considered expansion plans, enhancing the control and risk management system, or empowering the executive management to implement its strategies efficiently and flexibly.

In this context, the company focused on quality investment in its production assets, developing its technological capabilities, and improving its structure, thereby enhancing its competitiveness and protecting profit margins in a changing economic environment. Efforts were also made to diversify the customer base and expand distribution channels, which supports revenue stability and reduces reliance on specific sectors.

Believing that leadership is built not only on short-term results but also on sustained competitiveness, we continued to support initiatives that foster innovation, develop production capabilities, and instill a culture of performance and accountability. This ensures the company is ready to seize future opportunities in a rapidly evolving sector.



Where Vision Meets Execution Building
Today What Creates Tomorrow's
Leadership

Ahmed Hammoud Ibrahim Altheyab
Chairman

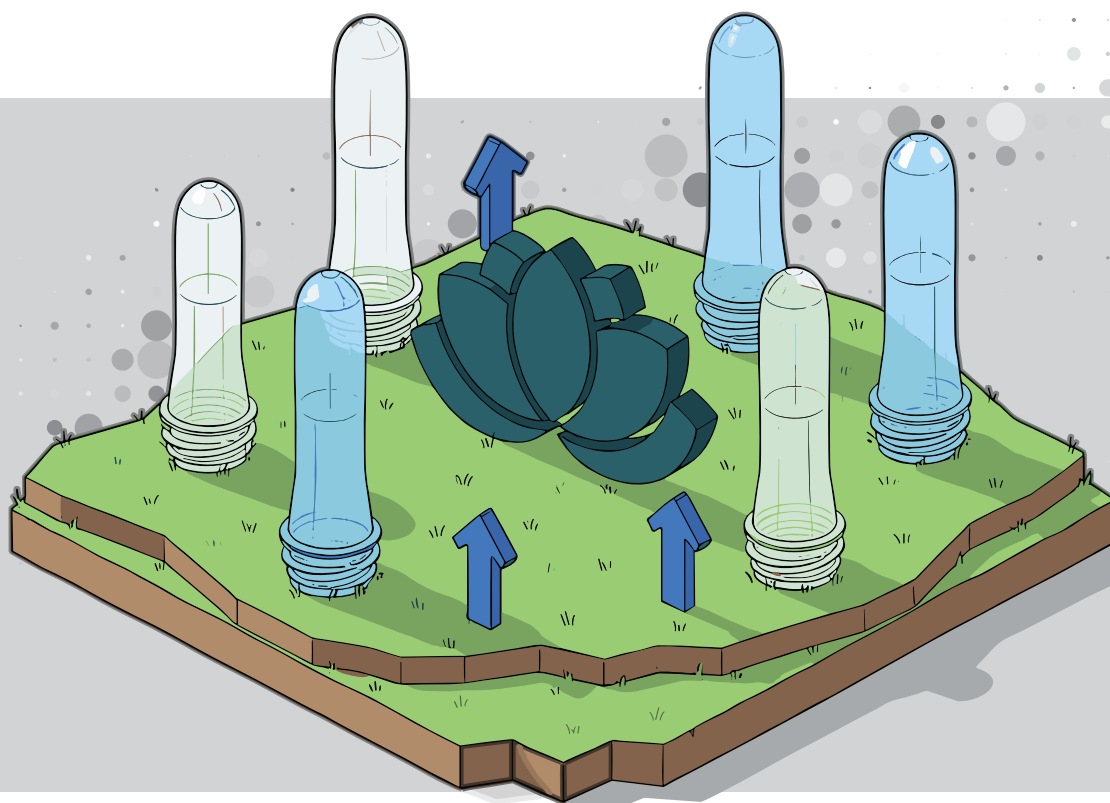
The achievements of 2025 are the result of a genuine partnership between the Board of Directors, the Executive Management, and the teams, supported by the trust of our shareholders and partners. We consider this trust a strategic asset that we are committed to strengthening through transparency, discipline, and adherence to the highest standards of governance.

We look forward to the next phase with measured confidence, based on a clear vision, strong operational foundations, and our ability to seize investment opportunities that enhance

the company's value in the medium and long term. We firmly believe that the strong foundations we have built today will drive the company's value and growth tomorrow.

In conclusion, I extend my sincere thanks and appreciation to everyone who has contributed to the company's journey, and I reaffirm the Board of Directors' commitment to continuing to work towards achieving the interests of shareholders and maximizing sustainable value for all stakeholders.





CEO message

Dear Shareholders,

The past year, 2025, marked a significant milestone in the journey of Zahrat Al Waha Trading Company. We transitioned from strengthening our operational foundation to a phase of strategic expansion driven by market data, customer needs, and our growing production capacity.

This involved building a more efficient, scalable business model that is more aligned with the aspirations of our customers and market partners.

Our executive management focused on translating strategy into tangible results by developing our production capabilities and expanding the range of solutions we offer our clients. This enhanced our competitiveness and created real, sustainable value.

During the year, the executive management concentrated on three key pillars:

Improving operational efficiency, maximizing asset utilization, and developing our product portfolio in line with evolving demand in the local and regional markets.

The company's facilities witnessed tangible operational improvements reflected in production levels, output quality, and order fulfillment speed. These improvements were supported by technological investments and production line upgrades, along with enhancements to planning, supply chain, and quality management procedures.

On the business side, we focused on strengthening relationships with strategic clients, forging new partnerships, and expanding our range of value-added services. This contributed to diversifying revenue streams and achieving balanced growth in both volume and profitability.



Efficiency Translated into Growth, Confidence Built on Achievement

George Abdulkarim George Moussa
Chief Executive Officer

Management also prioritized enhancing our compliance, safety, and sustainability framework, based on our conviction that operational and environmental sustainability is essential for business continuity and the company's attractiveness to investors.

Equally important is our ongoing investment in developing our human capital through training programs, building second-tier leadership, and fostering a culture of continuous improvement. We consider this a crucial element in our ability to expand confidently in the next phase.

As we enter 2026, we are focusing on expanding production capacity in high-demand areas, optimizing our cost structure, and enhancing our readiness to enter new market opportunities, while maintaining strict financial discipline and effective risk management.

As we enter a new phase of growth, we continue to focus on smart expansion, financial discipline, and efficient risk management, while maintaining the flexibility to respond quickly to market changes and capitalize on promising opportunities. What we have achieved would not have been possible without the support of our Board of Directors, the trust of our clients, and the efforts of our teams across all company locations. We are committed to continuing to operate according to the highest professional standards to achieve sustainable growth that benefits our shareholders, partners, and the community as a whole.

Together, we continue to build... with confidence, discipline, and calculated ambition.



Company profile and activities

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Board of Directors



Ahmed Hammoud Ibrahim Altheyab
Board Chairman



Taha Mohammed Abdul Wahid Azhari
Board Vice Chairman



George Abdulkarim George Moussa
Board Member
Chief Executive Officer



Board of Directors



Meshaal Mohammed Saleh Almogren

Board Member



Sahal Yousef Abdullah Jamal Allail

Board Member



Najeeb Abdullah Hussein

Board Member



Senior executives

George Abdulkarim George Moussa

Board Member
Chief Executive Officer



Mahmoud Mohammed Zaki Algamri

Chief Financial Officer
Board of Directors Secretary



Rakan Ahmed Hammoud Ibrahim Altheyab

Supply Chain Director



Abdul Majeed Fahd Al-Bazai

Production and Maintenance Director



Ahmed Hassan Ahmed Ali

Quality Control Director





Senior executives



Abdul Mohsen Nasser Salem Al-Gremel

Human Resources Director



Yasser Ghannam Arafat Al-Khatib

Sales Director

Faisal Saad bin Abdullah Al-Jasser

Information Technology Director





Company profile and activities



The Head office location

📍 The Kingdom of Saudi Arabia
Riyadh, Al Rabwa, Al Ahsa Street
Unit No. 1 - Building 7449
Extension Number 2980
Postal code: 12814

☎ +966 920021203

🌐 www.zaoasis.com

✉ info@zaoasis.com

✉ Email Investor Relations:
ir@zaoasis.com

The Branch location (Oasis Flower Plant for Plastic):

📍 The Kingdom of Saudi Arabia
Al Kharj, Riyadh to Al Kharj Road,
Exit 7, Al Rafai Industrial Area
Unit No 2 - Building 4070
Extension Number 8362
Postal code: 16352

☎ +966 920021203



Company's Representatives

Ahmed Hammoud Ibrahim Altheyab

Chairman

ahmed@zaoasiscom

George Abdulkarim George Moussa

Chief Executive Officer

sm@zaoasiscom



External Auditors

KPMG Accountants Professional Consulting

The company was established as a sole proprietorship of its owner, Mr. Ahmed Hammoud Ibrahim Altheyab, under the name Zahrat Al Waha for trading firm, according to the Commercial Register No. 1010190390 on 2003/10/06 in the city of Riyadh.

On 2012/11/27, the capital of Zahrat Al Waha for trading firm was increased to SAR 11,750,000.

On 2015/02/18, the capital of Zahrat Al Waha for trading firm was increased to SAR 33,375,000.

On 2015/12/09, Zahrat Al Waha For Trading firm and its subsidiaries was transformed into a limited liability company according to the partners' decision confirmed by the notary public number No. 372029 on 2015/11/19, while preserving the name and number of the corporation's commercial register where the company's commercial record was issued on 2015/12/09 with a capital of SAR 50,000,000 divided into 5,000,000 ordinary shares with a par value of SAR 10 per share.

On 2017/01/01, the company converted from a limited liability company to a closed joint stock company and increase the company's capital from SAR 50,000,000 to SAR 80,000,000 divided into 8,000,000 ordinary shares with a nominal value of SAR 10 per share. Ministerial Resolution No. S / 86 on 2016/12/27 by converted to a closed joint stock company.

On 2017/5/15, the Extraordinary General Assembly of the company agreed to increase the company's capital to SAR 150,000,000, divided into 15,000,000 ordinary shares, with a nominal value of SAR 10 per share.

On 2017/09/17, the subscription process was conducted at the Saudi Capital Market Authority.

On 2017/11/30, Zahrat Al Waha For Trading Company was transformed from a closed joint stock company into a Saudi public joint stock company with a capital of SAR 150,000,000 divided into 15,000,000 ordinary shares with a par value of SAR 10 per share.

On Shawwal 1443 ,8 AH (corresponding to May 2022 ,9 AD), the extraordinary general assembly of the company approved an increase in the company's capital to 225,000,000 Saudi riyals, divided into 22,500,000 ordinary shares with a nominal value of 10 Saudi riyals per share, by granting free shares to the company's shareholders as a transfer from retained earnings.

On 27 Jumada Al-Awwal 1447 AH (corresponding to 18 November 2025 AD), the Extraordinary General Assembly of the company approved the division of the nominal value of the share from 10 riyals to 1 riyal, and amending the number of shares from 22,500,000 shares to 225,000,000 shares, without any change in the capital amounting to 225,000,000 Saudi riyals.

The company conducts its business through its factory, which is its main and sole commercial and industrial activity, according to the Sub-Commercial Register No. 1011014061 dated 2010/05/06, in the name of "Zahrat Al Waha factory for Plastic" located in Al-Kharj Governorate, Riyadh Al-Kharj Road, exit 7, Al-Rafaie District Industrial, through which the manufacture of PET (preforms) and HDPE closure (caps) for bottles, Flexible plastic labels and self-adhesive labels (labels), shrink film and stretch film (packaging materials).



Subsidiary companies

Affiliated companies	Capital	Ratio of ownership	Country of work	Country of incorporation
Zahrat Al Waha factory for Plastic	SAR 225,000,000	100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Table No. (1) Subsidiary companies

Capital



SAR
225,000,000

Ratio of Ownership



100%

Country of work



**Kingdom of
Saudi Arabia**

The activities the company is authorized to perform under its articles of association are as follows:

- A. Manufacturing plastics and synthetic rubber in their primary forms
- B. Manufacturing plastic products
- C. Manufacturing other rubber products
- D. Printing
- E. Mixed farming (mixed production of crops and livestock without specialized crop or livestock production)
- F. Road transport of goods
- G. Sea and coastal transport of goods
- H. Warehousing
- I. Wholesale of food, beverages, and tobacco
- J. Construction of buildings
- K. Construction of utility projects
- L. Other specialized construction activities
- M. Real estate activities on owned or leased property
- N. Travel agency activities
- O. Private security activities
- P. Integrated office administrative services activities

Company's Vision



At Zahrat Al Waha Company, we strive to serve the community by creating new jobs, developing ourselves, and providing our products to diverse customers through our expansion throughout the Kingdom and beyond.

We prioritize customer satisfaction by offering our products, manufactured with healthy materials, at competitive prices and with high quality, making them accessible to everyone.

We are committed to the integrity of our customers, partners, and employees, and firmly believe that honesty, transparency, and strong work ethics should be the foundation of our operations.

Company's Insight



To become the preferred choice for our current and target customers in the Arabian Gulf, Middle East and North Africa region by providing their product needs with high quality and competitive prices and serving them after the sale by providing support at all levels and in all its forms.

Company values



- A. Integrity and honesty: We are committed to credibility and agreements and do the right thing.
- B. Customer Satisfaction: We take care of our customers and maintain their service at the optimum level.
- C. Sustainable Growth and Development: We strive to be innovative and professional in our products and services with our customers.
- D. Diversity: We strive to create the best products by taking advantage of diversity and different points of view.
- E. Leadership: We serve the community with passion and motivate our team to be effective leaders.
- F. Sustainability: We ensure that stakeholder responsibilities are fulfilled through disciplined business practices.



Company goal

Preserving the rights of shareholders and continuing to provide an appropriate return for their investments in the company, preserving the market share of the company, preserving the financial solvency of the company.



Our strategy

Based on the company's vision, mission, and goal, the company has developed a strategy to achieve its short-term and long-term objectives by diversifying its sources of income by adding new products to its existing sectors, adding new sectors, and opening new markets to meet the needs of the local and regional market with high quality and advanced production standards, while adhering to sustainability and social responsibility.



Efficiency and quality of operational processes

The company relies in its operations on the use of the latest production lines, which are characterized by the latest types of technology in the field of manufacturing plastic miniatures and plastic covers, which are purchased from the best companies in the world in this field, and the company uses high raw materials that are purchased from the best companies in this sector. The company also has a team with high experience and distinguished competencies in managing the operational process, and this helps to operate the lines with the highest operational efficiency and the lowest rates of waste, which contributes to production with the lowest operating expenses and the highest levels of quality, which is one of the main goals of the company.



Governance

We are committed to maintaining the highest levels of governance and view it as a pivotal tool to protect the rights of shareholders and achieve the highest possible value for their investments in the long term, and to strengthen control and oversight mechanisms by activating the role of the Board of Directors and affiliated committees and emphasizing the implementation of our mission and vision.

The corporate governance regulations mean the set of rules through which the company is managed, directed and controlled. The corporate governance structure determines the distribution of rights and duties "responsibilities" among the various participants in the company, such as the board of directors, executive management, shareholders, and stakeholders. Determine the means and methods to achieve them, as well as monitor performance.

This regulation aims at the optimal investment of the company's resources by creating a work environment based on responsibility, control and commitment, and its pillar is clarity and transparency, whether in defining the company's objectives, commercial and strategic plans, or in stating the rights and obligations of each of its entities, or in managing its relationship with suppliers, financiers, consumers, and the authorities that control it and activity in which you work.

This environment interacts with the system of national legislation within which the company operates and integrates with it to protect the company from any breach

or infringement, and to establish legal rules that establish the principles of justice, integrity and transparency in the company's dealings.

The Capital Market Authority's (CMA) regulations were prepared based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437 AH (corresponding to 10/11/2015 AD), as amended by the Capital Market Authority Board on 01/07/1441 AH (corresponding to 25/02/2020 AD) and further amended by the Capital Market Authority Resolution dated 25/06/1444 AH (corresponding to 18/01/2023 AD), the Heads of Leading Companies Law issued by Royal Decree No. 132/01 dated 12/01/1443 AH, and the Innovative Innovations Regulations issued directly by the CMA Board No. (16-8-2017) dated 16/05/1438 AH (corresponding to 13/02/2017 AD), as amended by the CMA Board Resolution No. (2019-3-57) dated 15/09/1440 AH (corresponding to 20/05/2019 AD). As decided by the Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444 AH corresponding to 18/01/2023 AD, and the company's articles of association qualified by the company's General Assembly dated 27/05/1447 AH, approved on 18/11/2025 AD.





Operational summary for 2025

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- 21 Competitive advantages





Operational summary for 2025

Commitment to quality, safety and environmental protection is a top priority for the company in the operational process. These efforts have resulted in obtaining many certificates and accreditations from specialized local and international institutions, including ISO 9001: 2015 and ISO 22000: 2018.

The company has several divisions, including a division for the production of preforms (small plastic bottles) in various sizes and weights; a division for the production of plastic caps in various weights and colors; a division for the production of flexible plastic labels and self-adhesive labels; and a new division for the production of shrink wrap and stretch film (packaging materials). These last divisions commenced operations on February 1, 2025. Our products are used by companies that bottle mineral water, produce juices, and manufacture food and industrial products.

The company's production capacity in 2025 reached:

- » Preforms: 77,307 tons
- » Plastic Caps: 12,098 tons
- » Flexible Plastic Labels and Self-Adhesive Labels: 14,176,129 square meters
- » Shrink Wrap and Stretch Film (Packaging Materials): 2,240 tons.

These divisions are operated by specialized and experienced engineers

who utilize the most advanced machinery and equipment to ensure the quality of the final product.

The company has a huge production capacity to meet the needs of current and target customers, as the company has:

- » Eighteen (18) lines for the production of prefoam plastic bottle miniatures,
- » Eleven (11) lines for the production of plastic caps,
- » Two (2) lines for the production of flexible plastic labels and self-adhesive labels,
- » Two (2) lines for the production of shrink and stretch film (packaging materials).

The company's management works to build a strategic inventory during periods of low sales demand to meet anticipated future sales increases. The company leverages the efficiency of its team at all operational, sales, and administrative levels to manage all resources and minimize costs. The company boasts a broad customer base and markets its products both within Saudi Arabia and internationally. In 2025, the sales team focused on expanding the company's customer base, a key objective. Sales in 2025 reached SAR 475.34 million, including SAR 65.56 million in exports 13.79%, compared to SAR 544.69 million in sales and SAR 82.34 million in exports 15.12% in 2024.



The competitive advantages of Zahrat Al Waha to achieve sustainability

Zahrat Al Waha Trading Company's management is committed to the three main sustainability axes, which are the environmental framework, the social framework, and the governance framework. With regard to the environmental framework, the company's main goal is to reduce its environmental footprint by reducing waste, rationalizing energy use, and reducing emissions resulting from its operations. With regard to the social framework, the company is actively seeking to create a positive impact on the surrounding communities, as it tries to establish the principle of equality in those communities and contribute to their development and enhance its customers' confidence in them, which is the goal that Zahrat Al Waha Trading Company seeks by providing training and educational campaigns, providing equal employment opportunities, and placing customers' requirements at the top of its priorities. As for the governance framework, Zahrat Al Waha Trading Company aims to enhance the culture of transparency and accountability in its operations by establishing and developing a strong framework for oversight and combating corruption.

In addition, Zahrat Al Waha Trading Company's long experience in the plastic bottle miniatures and plastic bottle caps manufacturing sector has given it many advantages that have pushed it to compete with local and regional companies in addition to gaining the trust of all customers by providing high-quality products that enjoy the trust of customers, while

adhering to ethical and responsible practices. Zahrat Al Waha Trading Company has many competitive advantages over its existing and potential competitors, which contribute to making it the leading company in its sector, which is evident in its management of the crises and economic conditions that the world in general and the Middle East region are going through. We can summarize the most important of these factors as follows:

Meeting customer needs with quality and speed

Driven by its commitment to meeting customer needs, the company has dedicated several teams to understanding the specific requirements of each customer segment. Furthermore, Zahrat Al Waha Trading Company's strategy relies on conducting customer surveys to gather feedback on its services. This allows the company to proactively understand and address customer needs and desires, as well as to develop its product portfolio and add new products to meet evolving customer needs and aspirations.

Zahrat Al Waha Company has the competitive ability to meet the different needs of customers with flexibility in meeting the different requirements of customers. This is embodied in its production of plastic bottle preforms and plastic bottle caps for short and long neck bottles in different weights, sizes and colors, flexible plastic labels and self-adhesive labels, and shrink and stretch film (packaging materials). The company also seeks to develop its products and produce new products that meet different requirements

than those produced in previous years to support its customers in developing their products and reducing their operating costs in line with the customers' production process. This is thanks to its use of the latest machinery in terms of technology and its high production capacity, and its possession of efficient and distinguished human expertise and management of operating costs and reducing them to the lowest possible levels.

Enhancing the efficient use of assets with advanced technologies

Zahrat Al Waha Trading Company's approach to technology and innovation is based on strategic priorities that support the company's vision to achieve leadership in its commercial activities, and pushes the company's management to strive to ensure sustainable competitiveness by focusing on several areas, the first of which is innovation based on customer needs to open up opportunities for growth across markets all the time, and secondly, innovation in operations to enable the company to raise the level of reliability, enhance sustainability, and rationalize energy and cost through manufacturing operations.

Zahrat Al Waha Trading Company has advanced technology production lines in its factory that enable it to design and produce a variety of products with high quality to meet all customer requests at the appropriate time and quality. Zahrat Al Waha Company has (18) eighteen lines for producing plastic bottle miniatures (preforms) and (11) eleven lines for producing plastic bottle caps, (2) Two lines for the production of flexible plastic labels and self-adhesive labels (labels) and (2) Two lines for the production of shrink and stretch film (packaging materials).

Product variety

Zahrat Al Waha Trading Company has a diverse range of products in the plastic bottle preforms sector (preforms or plastic bottle caps), which exceeds (36) products, as well as products produced from the printing sector and the packaging materials sector, which exceeds (140) products, in order to meet all customer needs, whether in the local market or the foreign market, while maintaining the level of quality and competitive prices.

Efficient manufacturing and logistics

The factory location is located in the Al-Kharj region in the central region of the Kingdom of Saudi Arabia, in providing logistical services to customers quickly and with high efficiency to all parts of the Kingdom and outside the Kingdom. The company also owns warehouses with storage areas exceeding 60,000 square meters, operated with high-quality storage systems and managed by an experienced and efficient work team. The company also has contracts with several transport companies to deliver its products to customers inside and outside the Kingdom. This helps the company to meet the needs of customers throughout the year with all their requests in quantity, quality and time required.

Human Capital Development in Zahrat Al Waha

The management believes that human capital is the most important asset of the company, so Zahrat Al Waha Trading Company works effectively to develop the experiences of its employees, enhance their growth and create an environment that helps them flourish on both the personal and professional levels.

The development of human capital is in line with the goals of Saudi Vision 2030 by emphasizing the importance of the workforce as the fuel for economic and social progress.

It works to invest in developing the company's workforce, which contributes to achieving the goals of Saudi Vision 2030, which are to build a skilled and competitive national workforce, diversify the economy, drive its progress and improve the quality of life of citizens.

Zahrat Al Waha Trading Company is keen to provide a flexible and adaptable work environment, recognizing global developments in this regard, as work environment flexibility initiatives ensure that employees receive the support and resources necessary to effectively balance their professional and personal responsibilities. Zahrat Al Waha Trading Company also aims to empower its employees in light of the global changes witnessed by work conditions by exploiting modern technologies to give them the option of working remotely when needed, which supports a healthy balance between professional and personal life and enhances employee satisfaction in general, in light of Zahrat Al Waha Trading Company's belief that the flexibility of the work environment is the driving force behind the flexibility and effectiveness of employees.

The company has an experienced work team at all levels and in all sectors of the company, whether operational, sales or administrative, as it has a work team with experience in operating its production lines, which are characterized by advanced technology and technology, and even the latest in the world, which require a work team with distinguished expertise and competencies to operate them. It also has a sales team with extensive experience in the field of marketing and selling the company's products, and it also has market experience, whether the local market or the Gulf market and North and Central Africa. It also has an administrative team that manages the company's financial and human resources efficiently and with short, medium and long-term plans.

The competitive advantages of Zahrat Al Waha to achieve sustainability

The long experience of Zahrat Al-Waha for Trading Company in the sector of manufacturing miniature plastic bottles and plastic bottle caps has earned it many advantages, which prompted.



Inventory turnover

1 : 3.69



Inventory decrease percentage

28.19%



The historical growth of the most important financial indicators

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- 27 The most important financial indicators for a period of five years
- 29 Cash flows
- 31 Earnings per share during the year
- 34 Operating segment





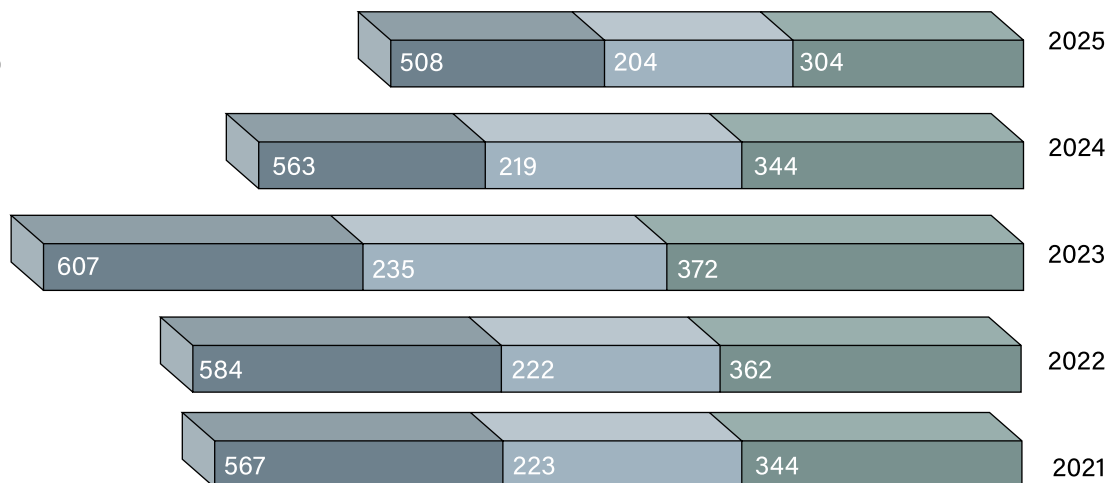
The historical growth of the most important financial indicators for a period of five years



Assets

(SR Millions)

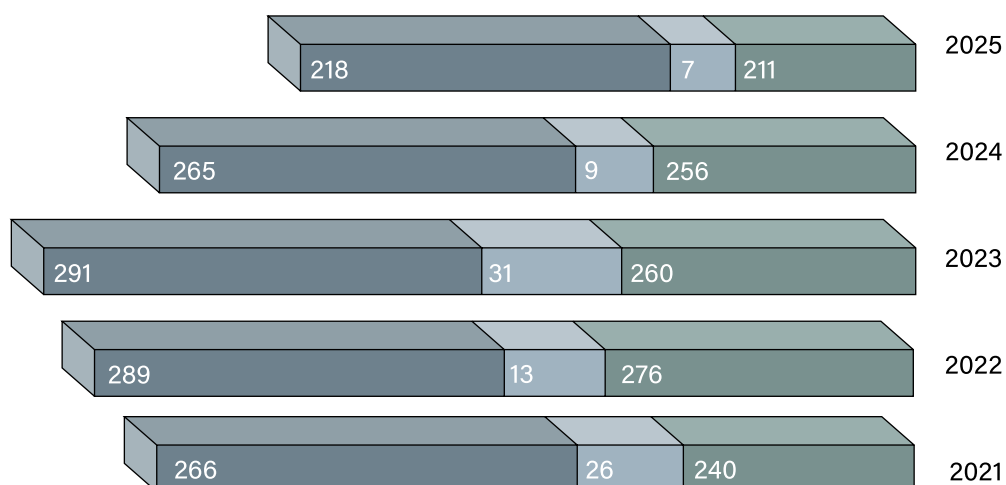
- Total assets
- Non-current assets
- Current assets



Liabilities

(SR Millions)

- Total liabilities
- Non-current liabilities
- Current liabilities





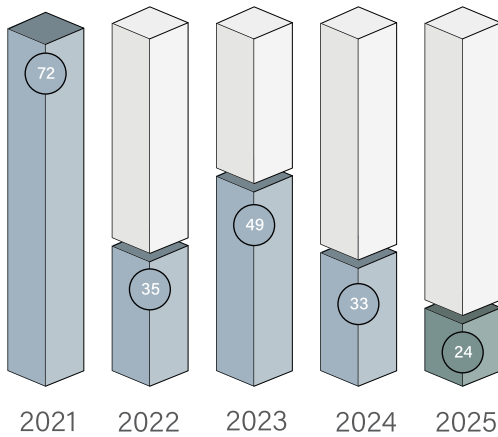
Earnings before interest Taxes, depreciation and amortization SR **53.3** Million

Compound annual growth rate by **(18.72%)**



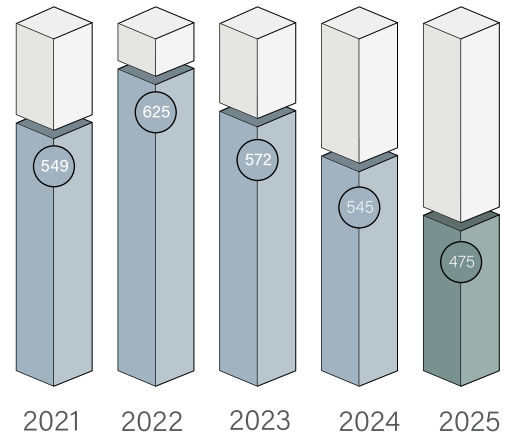
Operational Profit

(SR Millions)



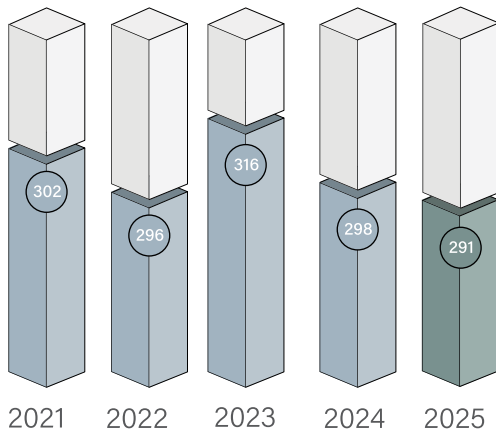
Sales

(SR Millions)



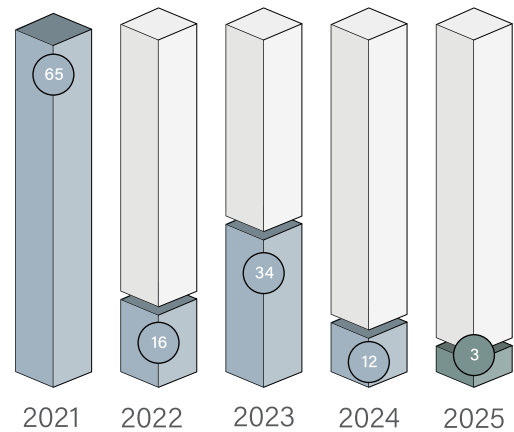
Shareholders Equity

(SR Millions)



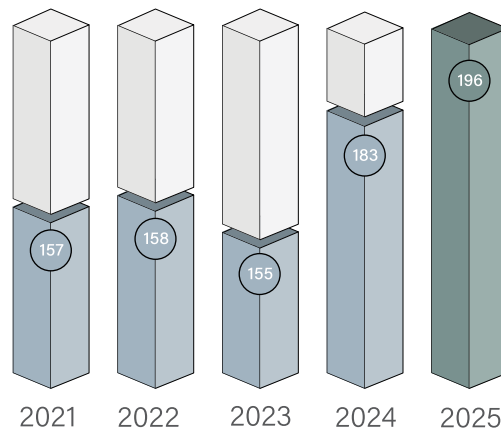
Net Profit / loss

(SR Millions)



Customers' Base

2025





I. Cash flows

The net change in cash balances and cash equivalents achieved during the year 2025 was affected by (1,9) million Saudi riyals, and this change was due to the resulting changes in the items of the following cash flow statement:



Current Debt

1 : 1.44

Description	2025	2024
Cash flow generated from operating activities	85,984,923	73,132,166
Cash flows generated used in / from investing activities	(18,196,882)	(14,086,961)
Cash flows used in financing activities	(65,887,076)	(60,472,894)
Net change in cash balances and cash equivalents	1,900,965	(1,427,689)

Table No. (2) Changes in cash flows

The clear and strong impact on the company's cash flows during 2025 compared to 2024 was evident, particularly in the cash flows generated from operating activities, influenced by net profit before zakat, changes in the investment portfolio, financing costs, inventory, prepaid expenses, and zakat paid. Cash flows from operating activities during 2025 amounted to SAR 85.98 million, compared to SAR 73.13 million during 2024.





II. Significant differences of operating results

In light of the strong market competition witnessed in the Saudi market during 2025, the company faced several challenges that directly impacted its performance, particularly during the first quarter of 2025. There was also an indirect impact due to the economic conditions that the world witnessed in general, and the conditions that the Middle East region experienced in particular during 2025. Despite this, the company's

management, represented by its Board of Directors and Executive Management, challenged itself to overcome these challenges, which was evident in the improved performance during the second, third, and fourth quarters of this year, contributing to the improvement of its results during 2025. This was demonstrated in the following:

A. The main differences of revenue and gross profit

Description	2025	2024	Differences	
			Net	Ratios
Revenue	475,341,838	544,688,020	(69,346,182)	(12.73)%
Cost of revenue	(425,137,686)	(484,077,282)	58,939,596	(12.18)%
Gross Profit	50,204,152	60,610,738	(10,406,586)	(17.17)%

Table No. (3) the main differences of revenue and gross profit

Gross profit for 2025 amounted to SAR 50.20 million, a decrease of SAR 10.41 million compared to 2024. This decrease in gross profit is attributed to a greater decline in revenue than in the cost of revenue. Revenue decreased by 12.73%, while the cost of revenue decreased by 12.18%.

Sales figures were impacted by a decrease in sales volume in the plastic bottle preforms sector, as well as a decrease in raw material prices for both the plastic bottle preforms and plastic bottle caps sectors, which are the primary factors determining selling prices.

B. The main differences of the operating profit results

Description	2025	2024	Differences	
			Net	Ratios
Gross Profit	50,204,152	60,610,738	(10,406,586)	(17.17)%
Selling and marketing expenses	(16,370,482)	(15,787,451)	(583,031)	3.69%
General and administration expenses	(9,671,091)	(9,774,923)	103,832	(1.06)%
Expected credit losses in the value of trade receivables	(570,167)	(3,346,204)	2,776,037	(82.96)%
Other operation expenses/income (Net)	284,821	1,606,013	(1,321,192)	(82.27)%
Operation Profit	23,877,233	33,308,173	(9,430,940)	(28.31)%

Table No. (4) the main differences of the results of the operating profit

Operating profit for 2025 decreased by (28.31)% compared to the operating profit for the same year, 2024. The reason for the decrease in operating profit is due to the decrease in gross profit, which decreased by (17.17)%, and the increase in selling and marketing expenses, which increased by

3.69% due to the increase in transportation prices, which were affected by the increase in fuel prices, and the decrease in other operating revenues by (82.27)%.



Compound annual growth rate for the gross profit

(39.03)%

C. The main differences of the net profit for the year

Description	2025	2024	Differences	
			Net	Ratios
Operation Profit	23,877,233	33,308,173	(9,430,940)	(28.31)%
Net changes in investments at fair value through profit or loss	(2,790,634)	1,937,141	(4,727,775)	(244.06)%
Finance income	0	0	0	0%
Finance expenses	(15,431,983)	(19,994,576)	4,562,593	(22.82)%
Zakat expense	(2,458,064)	(3,173,345)	715,281	(22.54)%
Net profit for the year	3,196,552	12,077,393	-8,880,841	(73.53)%

Table No. (5) the main differences of Net profit for the year

Net profit for 2025 decreased by (73.53%) compared to net profit for the same year, 2024, due to a decrease in operating profit and losses incurred from the company's investment portfolio.



The earnings per share for the year
(75.49)%

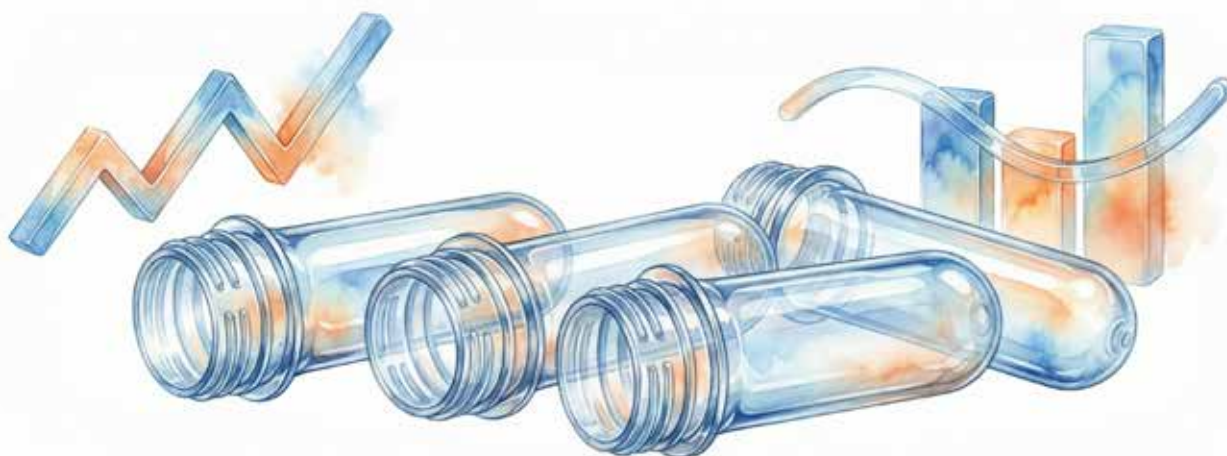


III. The earnings per share for the year

Description	2025	2024	Differences	
			Net	Ratios
Earnings per share	0.014	0.54	(0.04)	(73.53)%

Table No. (6) the earnings per share for the year

Earnings per share for the year 2024 decreased by (73.53)% over earnings per share for the corresponding year 2024, due to an decrease in net profit by (73.53)%





IV. The Murabaha and loans



Compound annual growth
rate for net losses and profits
1 : 0.34

A. Short term Murabaha and loans

#	Lender	Classification of loan	Loan value	Loan period	Payments during the year	Loan balance at yearend	Guarantees against loan
1	Arab national Bank	Short term loan	7,732,327	4 Months	--	7,732,327	PO by the Company
2	Arab national Bank	Short term loan	3,107,311	--	3,107,311	--	PO by the Company
3	Arab national Bank	Short term loan	721,991	--	721,991	--	PO by the Company
4	Arab national Bank	Short term loan	28,547,720	--	28,547,720	--	PO by the Company
5	Arab national Bank	Short term loan	4,648,929	1 Month	4,394,496	254,433	PO by the Company
6	Arab national Bank	Short term loan	34,777,665	--	34,777,665	--	PO by the Company
7	Arab national Bank	Short term loan	6,927,910	--	6,927,910	--	PO by the Company
8	Arab national Bank	Short term loan	4,471,714	1 Month	4,030,766	440,948	PO by the Company
9	Arab national Bank	Short term loan	42,673,421	--	42,673,421	--	PO by the Company
10	Arab national Bank	Short term loan	33,015,881	--	33,015,881	--	PO by the Company
11	Arab national Bank	Short term loan	12,052,074	2 Months	8,517,006	3,535,069	PO by the Company
12	Arab national Bank	Short term loan	21,345,113	3 Months	--	21,345,113	PO by the Company
13	Alinma Bank	Short term loan	1,071,148	--	1,071,148	--	PO by the Company
14	Alinma Bank	Short term loan	1,585,341	--	1,585,341	--	PO by the Company
15	Alinma Bank	Short term loan	1,115,581	--	1,115,581	--	PO by the Company
16	Alinma Bank	Short term loan	6,226,523	--	6,226,523	--	PO by the Company
17	Alinma Bank	Short term loan	1,439,227	--	1,439,227	--	PO by the Company
18	Alinma Bank	Short term loan	1,554,636	--	1,554,636	--	PO by the Company
19	Alinma Bank	Short term loan	11,586,630	--	11,586,630	--	PO by the Company
20	Alinma Bank	Short term loan	10,347,896	--	10,347,896	--	PO by the Company
21	The Saudi Investment Bank	Short term loan	15,014,315	4 Months	509,944	14,504,371	PO by the Company
22	The Saudi Investment Bank	Short term loan	17,555,283	--	17,555,283	--	PO by the Company
23	The Saudi Investment Bank	Short term loan	18,946,074	--	18,946,074	--	PO by the Company
24	The Saudi Investment Bank	Short term loan	18,891,539	--	18,891,539	--	PO by the Company
25	The Saudi Investment Bank	Short term loan	31,622,782	--	31,622,782	--	PO by the Company
26	The Saudi Investment Bank	Short term loan	10,849,459	--	10,849,459	--	PO by the Company
27	The Saudi Investment Bank	Short term loan	26,881,344	--	26,881,344	--	PO by the Company
28	The Saudi Investment Bank	Short term loan	12,197,271	--	12,197,271	--	PO by the Company
29	The Saudi Investment Bank	Short term loan	9,760,191	--	9,760,191	--	PO by the Company
30	The Saudi Investment Bank	Short term loan	52,370,926	2 Months	29,545,481	22,825,445	PO by the Company
31	The Saudi Investment Bank	Short term loan	32,833,127	2 Months	151,452	32,681,675	PO by the Company
32	The Saudi Investment Bank	Short term loan	20,659,646	3 Months	306,142	20,353,504	PO by the Company
33	Saudi National Bank	Short term loan	8,134,199	--	8,134,199	--	PO by the Company

#	Lender	Classification of loan	Loan value	Loan period	Payments during the year	Loan balance at yearend	Guarantees against loan
34	Saudi National Bank	Short term loan	42,705,801	--	42,705,801	--	PO by the Company
35	Saudi National Bank	Short term loan	6,481,212	--	6,481,212	--	PO by the Company
36	Saudi National Bank	Short term loan	12,698,900	--	12,698,900	--	PO by the Company
37	Saudi National Bank	Short term loan	4,367,060	--	4,367,060	--	PO by the Company
38	Saudi National Bank	Short term loan	22,999,298	1 Month	17,831,428	5,167,870	PO by the Company
39	Saudi National Bank	Short term loan	20,824,756	1 Month	5,668,325	15,156,431	PO by the Company
40	Saudi National Bank	Short term loan	16,210,773	4 Months	--	16,210,773	PO by the Company
41	Saudi National Bank	Short term loan	5,934,484	4 Months	--	5,934,484	PO by the Company

Table No. (7) Short term Murabaha and loans

The net balance of short-term loans used to finance working capital as of December 31, 2025 decreased from the loan balance as of December 31, 2024 by SAR 31.63 million, a decrease of 16.11%. This was due to a decrease in the value of raw material purchases because of the quantity

of raw material purchases, a decrease in purchase prices during 2025 compared to purchase prices during the same year, 2024, and an increase in the SAIBOR borrowing interest rate during 2025 compared to the same year, 2024.

B. Long term Murabaha and loans

#	Lender	Classification of loan	Loan value	Loan period	Payments during the year	Loan balance at yearend	Guarantees against loan
1	Industrial Development Fund	Long term loan	12,650,000	25 Months	2,530,000	6,325,000	PO by the Company Mortgage of some of the company's assets
2	Industrial Development Fund	Long term loan	20,000,000	--	20,000,000	--	PO by the Company Mortgage of some of the company's assets

Table No. (8) Long term Murabaha and loans

The net long-term loan balance as of December 31, 2025 amounted to SAR 5.85 million, compared to SAR 28.03 million as of December 31, 2024, a decrease of SAR 22.18 million, or 79.19%, due to the repayment of

outstanding long-term loan installments during 2025, and the company did not obtain new loans during 2025.



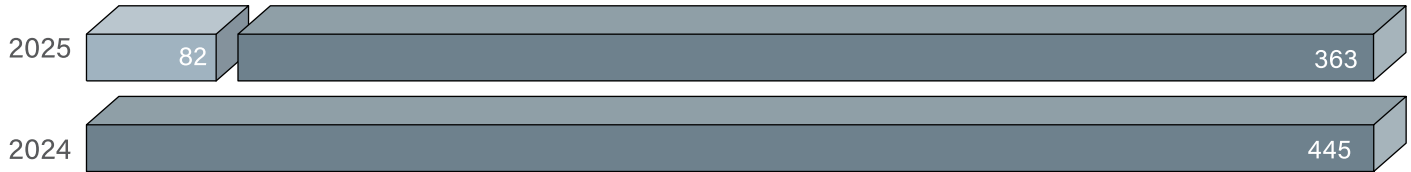


V. Operating segment

Zahrat Al Waha Trading Company's operational sectors are: plastic bottle preforms, plastic bottle caps, flexible plastic labels and self-adhesive

labels, and shrink and stretch film (packaging materials).

5-1 PET (preforms) income segment



The sales value of the preforms sector decreased during 2025 compared to the sales value of the sector during the same year 2024 by (18.41)%, and the sales quantity of the sector in tons decreased during 2025 by (2.02)%,

as the sales value was affected by the decrease in sales quantities as well as the decrease in raw material prices.

Description	2025	2024	Differences
PET (preforms) income segment	363,352,823	445,319,940	(18.41)%
Sales by Pieces	7,312,186,272	7,462,660,189	(2.02)%
Sales by Ton	76,970	79,778	(3.52)%

Table No. (9) PET (preforms) income segment

5-2 Plastic bottle caps (caps) income segment



Sales in the plastic bottle cap sector increased by 0.23% in 2025 compared to 2024, while sales volume (in tons) rose by 1.52%. Sales in the cap sector

were impacted by the increase in sales volume, while the selling price decreased due to lower raw material purchase prices.

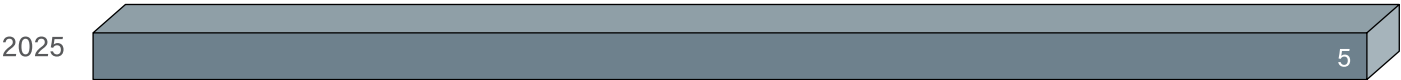
Description	2025	2024	Differences
Plastic bottle caps (caps) income segment	99,593,668	99,368,080	0.23%
Sales by Pieces	8,204,361,817	8,006,969,300	2.47%
Sales by Ton	12,282	12,096	1.52%

Table No. (10) Plastic bottle caps (caps) income segme





5-3 Flexible Plastic Labels and Self-Adhesive Labels (Label Sector)



This sector is one of the new sectors that have joined the company's sectors, with commercial operation and sales commencing on February 1, 2025, which aims to diversify the company's sources of income.

Description	2025	2024	Differences
Revenue from flexible plastic labels and self-adhesive labels (labels)	4,958,364	0	100%
Sales by Pieces	1,468,619,364	0	100%
Sales per square meter	13,710,957	0	100%

Table No. (11) Revenues from the flexible plastic labels and self-adhesive labeling sector

5-4 Shrink and Stretch Film Sector (Packaging Materials)



This sector is one of the new sectors that have joined the company's sectors, with commercial operation and sales commencing on February 1, 2025, which aims to diversify the company's sources of income.

Description	2025	2024	Differences
Revenues from the shrink and stretch film (packaging materials) sector	7,436,983	0	100%
Sales by Ton	1,545	0	100%

Table No. (12) Revenues from the shrink and stretch film (packaging materials) sector



5-5 Geographical analysis of the company's main activities

Revenues per countries	2025			2024		
	Sales (units)	Sales (Ton)	Sales (Value)	Sales (units)	Sales (Ton)	Sales (Value)
Gulf countries	256,044,408	519	3,960,102	234,820,112	527	5,207,384
Asia	1,629,833,828	10,738	59,217,264	1,697,527,048	13,654	76,676,337
Africa	30,579,288	446	2,384,090	5,170,176	78	455,119
Kingdom of Saudi Arabia - Central Region	11,220,028,115	58,039	295,791,200	10,135,238,713	60,005	351,234,051
Kingdom of Saudi Arabia - Northern Region	1,419,334,024	8,270	46,638,464	1,705,908,656	8,392	54,448,849
Kingdom of Saudi Arabia - Southern Region	698,143,071	2,345	15,218,232	757,919,648	3,499	22,633,738
Kingdom of Saudi Arabia - Eastern Province	448,271,704	998	6,754,372	110,310,208	559	3,609,474
Kingdom of Saudi Arabia - Western Region	1,283,156,527	7,896	45,378,114	822,734,928	4,962	30,423,068
Total revenues	16,985,390,965	89,251	475,341,838	15,469,629,489	91,676	544,688,020

Table No. (13) Geographical analysis of the company's main activities

Revenues per countries	2025	2024
Kingdom of Saudi Arabia	409,780,382	462,349,180
Yemen	54,723,875	72,798,208
Jordan	4,493,389	3,810,790
Bahrain	1,419,987	1,672,544
Kuwait	1,761,270	1,569,260
Amman	--	1,374,706
Sudan	859,561	455,119
UEA	166,365	399,474
Qatar	612,480	191,400
Lebanon	--	67,339
Tunisia	872,855	--
Djibouti	651,674	--
Total	475,341,838	544,688,020

Table No. (14) Geographical analysis per countries

Sales value decreased during 2025 compared to sales value in 2024, affected by the decrease in sales volume of the plastic bottle preforms sector, as well as the decrease in raw material prices for the plastic bottle preforms and plastic caps sectors, which represent the main driver of selling prices, which contributed to the decrease in sales value during 2025 compared to 2024.



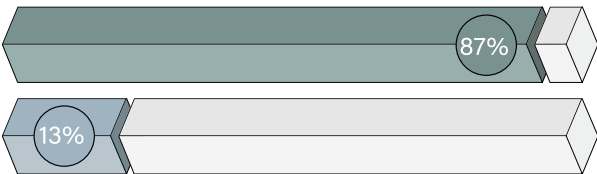


A graphic form for the geographical analysis
of the company's main activities

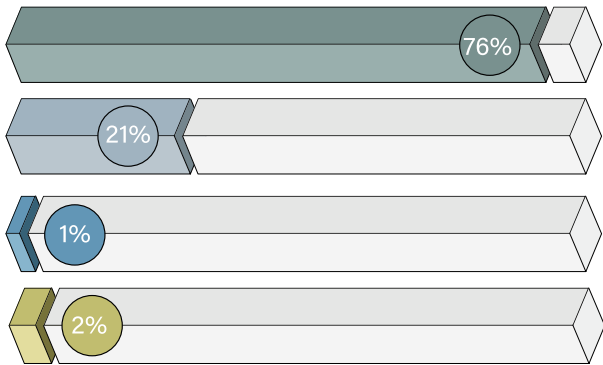


- Kingdom of Saudi Arabia - Central Region
- Asia
- Kingdom of Saudi Arabia - Southern Region
- Kingdom of Saudi Arabia - Eastern Province
- Kingdom of Saudi Arabia - Northern Region
- Kingdom of Saudi Arabia - Western Region
- Gulf countries
- Africa

Segment shares of total revenues for 2024



Segment shares of total revenues for 2025



Subsidiaries and equity investments (if any)

The Company's name	Establishment country	Equity %	Total Capital (SAR)	Main activities
None				
Table No. (15) Subsidiaries				
The Company's name	Establishment country	Equity %	Total Capital (SAR)	Main activities
None				
Table No. (16) Equity method investments				



Geographic Presence Map of the Company's Main Activities





Board of Directors and Governance

- 39 Board, committees, and executive management
- 60 Board Committees
- 78 Executive management
- 89 The company's obligations with the governance regulations





Board of directors, committees, and management

A. board of directors

According to the articles of association of the company, Chapter Three (The Board of Directors), Article eighteen (18) Company management.

The company is managed by a board of directors consisting of six

members appointed by the General Assembly for a period not exceeding Four years,

Moreover, as an exception to this, the founders appointed the first Board of Directors for a period of 4 years as follows:

#	Title	Name
1	Ahmed Hammoud Ibrahim Altheyab	Board Chairman
2	Taha Mohammed Abdul Wahid Azhari	Board Vice Chairman
3	George Abdulkarim George Moussa	Board Member
4	Meshaal Mohammed Saleh Almogren	Board Member
5	Sahal Yousef Abdullah Jamal Allail	Board Member
6	Najeeb Abdullah Hussein	Board Member

Table No. (17) Board composition and membership require

The current Board of Directors, consisting of six members, was appointed by a decision of the Ordinary General Assembly in its meeting held on November 5, 2024 corresponding to Jumada Al-Awwal 3, 1446 AH for a period of three years, six months and five days starting from December 26, 2024 and ending on June 30, 2028.

The Board of Directors of the Company shall establish the Board of Directors' Bylaws, taking into account the formation of the Board and the conditions of appointment and membership.

The following should be taken into consideration in the formation of the Board of Directors:

1. The number of its members is proportional to the size of the company and the nature of its activity, without prejudice to what is stated in Paragraph (a) of Article 17 of the Company's Governance Regulations.
2. The majority of the members shall be non-executive members, as stated in Paragraph (2) of Article Sixteen of the Company's Governance Regulations.
3. The number of its independent members shall not be less than two members or one-third of the Board members, whichever is greater, as stated in Paragraph (3) of Article Sixteen of the Company's Governance Regulations.

Appointment of board members:

According to Article Seventeen of the Corporate Governance Regulations

- A. The articles of association of the company specify the number of members of the Board of Directors, which must not be less than three and not more than eleven.
- B. The General Assembly elects the members of the Board of Directors for the period stipulated in the company's bylaws, provided that it does not exceed four years. They may be reelected unless the company's bylaws stipulate otherwise.
- C. It is required that a member of the Board of Directors does not hold membership in the Board of Directors of more than five joint stock companies listed on the market at the same time.

- D. The company must notify the Authority of the names of the members of the Board of Directors and their membership positions within five working days from the date of the start of the Board of Directors session or from the date of their appointment - whichever is earlier and any changes that occur to their membership within five working days from the date of the changes occurring.

B. Board of Directors' authority

- The Board of Directors represents all shareholders and is obligated to exercise due diligence and loyalty in managing the company and in all matters that safeguard its interests, promote its growth, and maximize its value.
- The Board of Directors is responsible for the company's actions, even if it delegates some of its powers to committees, entities, or individuals. In all cases, the Board of Directors may not issue a general or indefinite delegation of authority.

C. The Board of Directors exercises the following tasks

With consideration of the General Assembly in the Companies Law, its implementing regulations, and the company's articles of association, the Board of Directors has the broadest powers in managing the company and directing its operations to achieve its objectives. The Board of Directors is responsible for managing the company and providing effective leadership to oversee the operations of Zahrat Al Waha Trading Company to achieve the company's defined objectives so that its value grows in a profitable and sustainable manner. The Board of Directors exercises its responsibilities in accordance with the provisions regulating this matter and stipulated in the Companies Law, the Corporate Governance Regulations, the implementing regulations issued pursuant to the Companies Law for listed joint-stock companies, the company's Articles of Association, and the Corporate Governance Regulations. The Board's duties and responsibilities include the following:

1. Developing, overseeing, and periodically reviewing the company's plans, policies, strategies, and main objectives, and ensuring the

availability of the necessary human and financial resources to achieve them. This includes:

- » Developing, reviewing, and guiding the company's overall strategy, main business plans, and risk management policies and procedures.
 - » Determining the optimal capital structure for the company, its financial strategies and objectives, and approving all types of budgets.
 - » Overseeing the company's major capital expenditures, and the acquisition and disposal of assets.
 - » Setting performance objectives and monitoring their implementation and overall performance within the company.
 - » Periodically reviewing and approving the company's organizational and functional structures.
 - » Verifying the availability of the necessary human and financial resources to achieve the company's objectives and main plans.
2. Establishing and overseeing internal control systems and procedures, including:
 - » Developing a written policy to address actual and potential conflicts of interest for members of the Board of Directors, executive management, and shareholders. This includes addressing misuse of company assets and facilities, and misconduct arising from related-party transactions.
 - » Ensuring the integrity of financial and accounting systems, including those related to financial reporting.
 - » Ensuring the implementation of appropriate control systems for measuring and managing risks. This involves developing a comprehensive understanding of the risks the company may face, fostering a risk management culture at the company level, and communicating this transparently to stakeholders and relevant parties.
 - » Conducting an annual review of the effectiveness of the company's internal control procedures.
 3. Developing clear and specific policies, standards, and procedures for Board membership—in accordance with the mandatory provisions of these bylaws—and implementing them after approval by the General Assembly.
 4. Recommending a dividend distribution policy for approval by the General Assem.
 5. Establish a policy to regulate the relationship with stakeholders in order to protect them and safeguard their rights. This policy should specifically cover the following:
 - » Procedures for stakeholders to follow in submitting complaints and reporting violations.
 - » Mechanisms for compensating stakeholders in the event of a violation of their rights as stipulated by regulations and protected by contracts.
 - » Mechanisms for settling complaints or disputes that may arise between the company and stakeholders.
 - » Appropriate mechanisms for maintaining good relations with customers and suppliers and preserving the confidentiality of information related to them.
 - » Codes of professional conduct for managers and employees of the company that comply with sound professional and ethical standards and regulate the relationship between them and stakeholders. The Board of Directors shall establish mechanisms to monitor the application of and adherence to these rules.
 6. Establish policies and procedures that ensure the company's compliance with regulations and its commitment to disclosing material information to shareholders and stakeholders, and verify that the executive management adheres to them.
 7. Oversee the management of the company's financial resources, cash

flows, and financial and credit relationships with third parties.

8. Establishing effective communication channels that allow shareholders to be continuously and periodically informed about the various activities of the company and any material developments.
9. Proposing to the Extraordinary General Assembly the follow:
 - » Increasing or decreasing the company's capital.
 - » Dissolving the company before the term specified in its Articles of Association or deciding on its continuation.
10. Proposing to the Ordinary General Assembly the following:
 - » Utilizing the company's reserves if they are not allocated for a specific purpose in the Articles of Association.
 - » Establishing additional financial reserves or provisions for the company.
 - » The method of distributing the company's net profits.
11. Preparing and approving the company's preliminary and annual financial statements before publication.
12. Preparing and approving the Board of Directors' report before publication.
13. Ensuring the accuracy and integrity of the data and information that must be disclosed, in accordance with applicable disclosure and transparency policies and procedures.
14. Forming specialized committees emanating from it by resolutions that specify the committee's term, powers, and responsibilities, and how the board will oversee it. The formation resolution must include the appointment of members, defining their roles, rights, and duties, along with an evaluation of the performance and work of these committees and their members.
15. Preparing policies regulating the types of rewards granted to company employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares, in a manner that does not conflict with the executive regulations of the Companies Law pertaining to listed joint-stock companies.
16. Informing the General Assembly, at its meetings, of any transactions or contracts in which a member of the Board of Directors has a direct or indirect interest. This notification must include the information that the member provided to the Board of Directors in accordance with [the relevant regulations/provisions]. In accordance with paragraph (Third) of Article Thirteen of these Regulations, this notification must be accompanied by a special report from the company's external auditor.
17. Defining the powers delegated by the Board to the Chief Executive Officer, the decisionmaking procedures, and the duration of the delegation.
18. Ensuring the establishment of procedures for introducing new Board members to the company's operations, including a comprehensive orientation program for new Board members, and adopting a continuous development program for Board members.
19. Establishing the necessary mechanisms for evaluating the performance of the Board, its members, its subcommittees, and the executive management annually
20. Establishing the values and standards that govern work within the company.

D. Board Powers

- Subject to the powers vested in the General Assembly, the Board shall have the broadest powers and authorities in managing the company, including making decisions, entering into contracts and agreements, and undertaking all other actions necessary to achieve the company's objectives. In fulfilling its duties, the Board may exercise all powers and conduct all actions and transactions that the company is permitted to

perform under its Articles of Association, provided that such actions do not fall under the exclusive jurisdiction of the General Assemblies of Shareholders according to the company's Articles of Association and the Companies Law.

- The Board of Directors represents all shareholders and is obligated to exercise due diligence and loyalty in managing the company and in all matters that safeguard its interests, promote its growth, and maximize its value.
- Ultimate responsibility for the company remains with the Board, even if it forms committees or delegates some of its functions to other entities or individuals. In all cases, the Board of Directors may not issue a general or indefinite delegation of authority.

E. Board of Directors' Operating Procedures

First: Powers of the Chairman and Vice-Chairman

1. Without prejudice to the Board's powers, the Chairman of the Board shall lead the Board and oversee its operations and the effective performance of its duties. The Chairman's duties and powers include, in particular, the following:

- » Leading the Board towards achieving its objectives and working to enhance its effectiveness.
- » Representing the company before third parties or delegating some of his powers to carry out specific tasks or actions in writing to other members of the Board or others, in accordance with the Companies Law, its implementing regulations, and the company's articles of association.
- » Overseeing the preparation of the agenda for Board meetings and ensuring the participation of Board members and the Chief Executive Officer in determining the topics and timing of Board meetings.
- » Issuing invitations to Board meetings and chairing them, specifying the time, date, and location of the meeting, after coordinating with Board members.
- » Ensuring that Board members receive complete, clear, accurate, and non-misleading information in a timely manner.
- » Ensuring that the Board of Directors discusses all essential matters effectively and in a timely manner.
- » To encourage active participation of board members in board meetings by studying and discussing the topics on the meeting agenda and expressing their opinions in a way that contributes to achieving the company's objectives.
- » To ensure effective communication channels with shareholders and convey their views to the board of directors.
- » To foster constructive relationships and active participation between the board of directors and the executive management, as well as between executive, non-executive, and independent members, and to cultivate a culture that encourages constructive criticism.
- » To prepare the board meeting agenda, taking into account any matter raised by a board member or the external auditor, and to consult with board members and the CEO during the agenda preparation process.
- » To ensure compliance with the board's rules of procedure.
- » To inform the general assembly, at its meetings, of any transactions or contracts in which a board member has a direct or indirect interest. This notification must include the information provided by the member to the board of directors in accordance with paragraph (14) of Article 28 of the company's governance regulations, and must be accompanied by a special report from the company's external auditor.

2. The Vice Chairman of the Board shall assume the duties of the Chairman in his absence. If both the Chairman and Vice Chairman are absent, the Board members shall elect one of their number to chair the meeting

3. The Chief Executive Officer may not be appointed Chairman of the Board during the first year following the termination of their service.

4. The Secretary shall perform the duties stipulated in the relevant regulations, including the following:

- » Preparing the annual plan for Board meetings and submitting it to the Chairman.
 - » Preparing the agenda for Board meetings in coordination with the Board members and the Chief Executive Officer, and submitting the proposed agenda to the Chairman for approval by the Board.
 - » Notifying Board members of meeting dates and ensuring their access to relevant information, utilizing modern technology to enhance their preparation for meetings.
 - » Attending Board meetings and recording the proceedings in the minutes, which must be prepared in accordance with the relevant regulations.
 - » Preparing and organizing the minutes of Board meetings, maintaining the reports submitted to the Board, and making arrangements for Board members to easily access these minutes and related documents.
 - » Preparing Board of Directors resolutions and ensuring their communication after approval by the Board.
 - » Overseeing the disclosure register and forms for Board members and updating them periodically in accordance with relevant regulatory requirements.
 - » Reviewing compliance with the Board of Directors' Rules of Procedure and the Rules of Procedure of its subcommittees, and submitting the results of this review to the Chairman of the Board.
 - » Providing advice and counsel to the Board of Directors, its committees, or its members on matters related to Board governance.
 - » Performing any other advisory duties assigned by the Board of Directors or one of its committees.
 - » Maintaining all minutes, documents, reports, and other records required by relevant regulations, including the Board of Directors' report and the Audit Committee's report, at the company's headquarters for a period of not less than [timeframe missing].
 - » Ten years or until the conclusion of any pending legal action, claim, or investigation related to those documents, whichever is longer.
 - » The Board Secretary may only be dismissed by a decision of the Board.
 - » The Board Secretary is not entitled to participate in or vote on any Board decisions.
5. The Board shall determine the qualifications required of the Board Secretary, which shall include one of the following:
- » A university degree in law, finance, accounting, management, or an equivalent field, and at least three years of relevant practical experience.
 - » At least five years of relevant practical experience.

Second: Duties and Responsibilities of the Board Secretary

The Board of Directors shall appoint a Secretary from among its members or from outside the Board. The Secretary's responsibilities and remuneration shall be determined by a resolution of the Board – unless the company's articles of association contain provisions to that effect – and these responsibilities shall include the following:

- » Documenting Board meetings and preparing minutes that include the discussions and deliberations held, the meeting's location, date, start and end times, and the Board's decisions and voting results, maintaining them in a special and organized register, recording the names of the attending members and any reservations they expressed, and having

these minutes signed by the meeting chair, all attending members, and the Secretary.

- » Maintaining the reports submitted to the Board of Directors and the reports prepared by the Board.
- » Providing Board members with the Board's agenda, working papers, documents, and related information, as well as any additional documents or information requested by any Board member that are relevant to the topics included in the meeting agenda.
- » Ensuring that Board members adhere to the procedures approved by the Board.
- » Notifying Board members of meeting dates well in advance.
- » Presenting draft minutes to Board members for their feedback before signing.
- » Ensuring that Board members receive a complete and timely copy of meeting minutes and all relevant company information and documents.
- » Coordinating among Board members.
- » Maintaining a record of disclosures by Board members and executive management, as stipulated in Article 22 of these Regulations.
- » Providing assistance and advice to Board members.
- » The Board Secretary may only be dismissed by a resolution of the Board.

Third: Duties and Responsibilities of Board Members

Each Board member, by virtue of their membership, shall perform the following duties and responsibilities:

- » Complying with the provisions of the Companies Law, the Capital Market Law and their implementing regulations, and the company's Articles of Association when performing their duties, and refraining from any action that could harm the company's interests.
- » Submitting proposals to develop the company's strategy.
- » Monitoring the performance of the executive management and its achievement of the company's goals and objectives.
- » Reviewing company performance reports.
- » Verifying the accuracy and integrity of the company's financial statements and information.
- » Ensuring the strength of the company's financial controls and risk management systems.
- » Determining appropriate levels of compensation for executive management members.
- » Providing input on the appointment and dismissal of executive management members.
- » Participating in the development of the succession plan for executive

positions within the company.

- » Attending board meetings and general assembly meetings, and not being absent except for a legitimate reason that must be notified to the chairman in advance, or for emergency reasons.
- » Allocating sufficient time to fulfill responsibilities, preparing for and actively participating in board and committee meetings, including asking relevant questions and engaging in discussions with senior company executives.
- » Studying and analyzing information relevant to matters under consideration by the board before expressing an opinion.
- » Enabling other board members to freely express their views, and encouraging the board to deliberate on matters and seek input from relevant executive management members and others as needed.
- » To inform the Board of Directors fully and immediately of any interest he/she has, whether direct or indirect, in the business and contracts entered into on behalf of the company. This information must include the nature and extent of that interest, the names of any persons involved, and the benefit expected to be obtained directly or indirectly from that interest, whether financial or non-financial. The member shall not participate in voting on any resolution issued regarding that interest, in accordance with the provisions of the Companies Law, the Capital Market Law, and their implementing regulations.
- » To inform the Board of Directors fully and immediately of his/her participation, whether direct or indirect, in any business activities that may compete with the company, or his/her competition with the company, directly or indirectly, in any of its branches of activity, in accordance with the provisions of the Companies Law, the Capital Market Law, and their implementing regulations.
- » Not to disclose or divulge any secrets he/she has learned by virtue of his/her membership on the Board to any of the company's shareholders—except during a General Assembly meeting—or to any third party, as required by the provisions of the Companies Law, the Capital Market Law, and their implementing regulations.
- » To act based on complete information, in good faith, and with due care and attention, in the best interests of the company and all shareholders.
- » To understand his duties, roles, and responsibilities arising from his membership.
- » To develop his knowledge in the company's activities and business, and in related financial, commercial, and industrial fields.
- » To resign from the Board of Directors if he is unable to fully perform his duties on the Board.





#	Member's name	Current Position	Previous Position	Qualifications	Experiences
1	Ahmed Hammoud Ibrahim Altheyab (Chairman)	»Chief Executive Officer and Managing Director at Hana Food Industries Company »General Manager, Qimam Paper Products Company »General Manager, Thabat Al-Qimmah Logistics Services Company	»General Manager of Zahrat Al-Waha For Trading Company »General Manager of Hana Food Industries »Vice President of the Chamber of Commerce of Bakriyah Governorate	»Training courses in sales and marketing skills at AUC »Training courses for the development of managers and decision makers Gulf Creativity, Turkey	»Chairman of the Board of Directors of Zahrat Al Waha Trading Company »Member of Board of Directors at Hana Food Industries Company
2	Taha Mohammed Abdul Wahid Azhari (Vice chairman)	Retired	»Advisor to the CEO of Airports Holding Company »Head of Internal Audit at Airports Holding Company » Chief Financial Officer, Airports Holding Company »Chief Financial Officer of the National Water Company »General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour) »Head of Internal Audit, Al Othaim Trading Company	»Bachelor of Accounting - King Saud University	»Chairman of the Audit Committee, Zahrat Al-Waha Trading Company »Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company »Chairman of the Audit Committee, BATIC Investment and Logistics Company »Chairman of the Audit Committee of Hana Food Industries Company »Audit Committee Member, Bank Aljazira »Board of Directors member at Arabian Shield Cooperative Insurance Company »Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company »Chairman of the Audit Committee, Arabian Shield Cooperative Insurance Company »Board Member, Nami Al-Qamariyah Financial Solutions »Chairman of the Audit Committee, Nami Al-Qamariyah Financial Solutions » Board Member, Raqmiyah Crowdfunding Company »Chairman of the Audit Committee, Raqmiyah Crowdfunding Company »Chairman of the Audit Committee, Masdar Company
3	George Abdulkarim George Moussa	Chief Executive Officer of Zahrat Al-Waha For Trading Company	»General Manager of Sales at Zahrat Al-Waha For Trading Company »General Manager of Sales at Al-Othman Plastic Company – Takween	Bachelor of Marketing and Sales Lebanese American University Lebanon	»Board of Directors member at Zahrat Al-Waha For Trading Company »Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company
4	Meshaal Mohammed Saleh Almogren	Chief Executive Officer at Diamond Concept Company	»Head of the Internal Audit Department, The Cooperative Insurance Company »Head of the Internal Audit Department, Dutch Gulf Finance Company »Head of the Internal Audit Department, Middle East Gulf Company »Audit Supervisor at KPMG Office	»Master of Business Administration - University of Uclane England »Bachelor of Accounting - King Saud University	»Member of the Audit Committee, Zahrat Al-Waha For Trading Company »Member of the Audit Committee of the Saudi Contract Registration Company
5	Sahal Yousef Abdullah Jamal Allail	Head of Sustainability and ESG Practices, Saudi Real Estate Refinance Company (PIF)	»Director of Sharia Department, Saudi Real Estate Refinance Company (Public Investment Fund) »Assistant General Manager (Head of Islamic Banking) at Samba Financial Group »Assistant General Manager (Director of Audit and Sharia Audit) at Samba Financial Group »Financial Director at Al-Khair Capital Saudi Arabia »Assistant General Manager at (Islamic Business Development) Samba Financial Group »Auditor at Saudi Arabian Monetary Agency - SAMA	»Master of Business Administration (MBA) - University of Bridgeport - USA »Bachelor of Accounting - King Saud University	»Member of the Remuneration and Nominations Committee, Zahrat Al Waha Trading Company
6	Najeeb Abdullah Hussein	Saudi Market Officer Arab Bank Switzerland	»Wealth Manager Arab National Bank »Wealth Unit Manager Ahli United Bank »Senior Corporate Lending Officer Canadian Bank	»Bachelor of Finance - Notre Dame University - Lebanon	

Table No. (18) The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences)

Board of Directors

The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences)

Ahmed Hammoud Ibrahim Altheyab

Chairman

» Current Position

- Chief Executive Officer and Managing Director at Hana Food Industries Company
- General Manager, Qimam Paper Products Company
- General Manager, Thabat Al-Qimmah Logistics Services Company

» Previous Position

- General Manager of Zahrat Al-Waha For Trading Company
- General Manager of Hana Food Industries
- Vice President of the Chamber of Commerce of Bakriyah Governorate

» Qualifications

- Training courses in sales and marketing skills at AUC
- Training courses for the development of managers and decision makers Gulf Creativity, -Turkey

» Experiences

- Chairman of the Board of Directors of Zahrat Al Waha Trading Company
- Member of Board of Directors at Hana Food Industries Company



Board of Directors

The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences)

Taha Mohammed Abdul Wahid Azhari

Vice chairman

» Current Position

- Retired

» Previous Position

- Advisor to the CEO of Airports Holding Company
- Head of Internal Audit at Airports Holding Company
- Chief Financial Officer, Airports Holding Company
- Chief Financial Officer of the National Water Company
- General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour)
- Head of Internal Audit, Al Othaim Trading Company

» Qualifications

- Bachelor of Accounting - King Saud University

» Experiences

- Chairman of the Audit Committee, Zahrat Al-Waha Trading Company
- Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company
- Chairman of the Audit Committee, BATIC Investment and Logistics Company
- Chairman of the Audit Committee of Hana Food Industries Company
- Audit Committee Member, Bank Aljazira
- Board of Directors member at Arabian Shield Cooperative Insurance Company
- Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company
- Chairman of the Audit Committee, Arabian Shield Cooperative Insurance Company
- Board Member, Nami Al-Qamariyah Financial Solutions
- Chairman of the Audit Committee, Nami Al-Qamariyah Financial Solutions
- Board Member, Raqmiyah Crowdfunding Company
- Chairman of the Audit Committee, Raqmiyah Crowdfunding Company
- Chairman of the Audit Committee, Masdar Company



Board of Directors

The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences)

George Abdulkarim George Moussa

Board Member

Chief Executive Officer of Zahrat Al-Waha For Trading Company

» Current Position

- Chief Executive Officer of Zahrat Al-Waha For Trading Company

» Previous Position

- General Manager of Sales at Zahrat Al-Waha For Trading Company
- General Manager of Sales at Al-Othman Plastic Company – Takween

» Qualifications

- Bachelor of Marketing and Sales Lebanese American University Lebanon

» Experiences

- Board of Directors member at Zahrat Al-Waha For Trading Company
- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company



Board of Directors

The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences)

Meshaal Mohammed Saleh Almogren

Board Member

» *Current Position*

- Chief Executive Officer at Diamond Concept Company

» *Previous Position*

- Head of the In-ternal Audit De-partment, The Cooperative In-surance Compa-ny
- Head of the In-ternal Audit De-partment, Dutch Gulf Finance Company
- Head of the In-ternal Audit De-partment, Mid-dle East Gulf Company
- Audit Supervisor at KPMG Office

» *Qualifications*

- Master of Business Administration - University of Uclane England
- Bachelor of Accounting - King Saud University

» *Experiences*

- Member of the Audit Committee, Zahrat Al-Waha For Trading Company
- Member of the Audit Committee of the Saudi Contract Registration Company



Board of Directors

The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences)

Sahal Yousef Abdullah Jamal Allail

Board Member

» *Current Position*

- Head of Sustainability and ESG Practices, Saudi Real Estate Refinance Company (PIF)

» *Previous Position*

- Director of Sharia Department, Saudi Real Estate Refinance Company (Public Investment Fund)
- Assistant General Manager (Head of Islamic Banking) at Samba Financial Group
- Assistant General Manager (Director of Audit and Sharia Audit) at Samba Financial Group
- Financial Director at Al-Khair Capital Saudi Arabia
- Assistant General Manager at (Islamic Business Development) Samba Financial Group
- Auditor at Saudi Arabian Monetary Agency - SAMA

» *Qualifications*

- Master of Business Administration (MBA) - University of Bridgeport - USA
- Bachelor of Accounting - King Saud University

» *Experiences*

- Member of the Remuneration and Nominations Committee, Zahrat Al Waha Trading Company



Board of Directors

The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences)

Najeeb Abdullah Hussein

Board Member

» *Current Position*

- Saudi Market Officer Arab Bank Switzerland

» *Previous Position*

- Wealth Manager Arab National Bank
- Wealth Unit Manager Ahli United Bank
- Senior Corporate Lending Officer Canadian Bank

» *Qualifications*

- Bachelor of Finance - Notre Dame University - Lebanon

» *Experiences*

- -



A. Functions of the independent member

Subject to Article 29 of Zahrat Al Waha Trading Company Governance Regulations, an independent board member must actively participate in the performance of the following tasks:

1. Expressing independent opinion on strategic issues, company policies, and its performance, and appointing members of the executive management.
2. Verifying that the interests of the company and its shareholders are taken into consideration and presenting them when any conflict of interest arises.
3. Supervising the development of the company's corporate governance rules and monitoring the implementation by the executive management of them.

B. Composition of the Board of Directors and classification of its members as follows:

#	Member's name	Position	Classification
1	Ahmed Hammoud Ibrahim Altheyab	Board Chairman	Non-Executive
2	Taha Mohammed Abdul Wahid Azhari	Board Vice Chairman	Independent
3	George Abdulkarim George Moussa	Board Member and CEO	Executive
4	Meshaal Mohammed Saleh Almogren	Board Member	Independent
5	Sahal Yousef Abdullah Jamal Allail	Board Member	Independent
6	Najeeb Abdullah Hussein	Board Member	Independent

Table No. (19) Composition of the Board of Directors and classification of its members

C. Board of Directors meetings

The Board of Directors meets at least four times a year, with at least one meeting every three months.

#	Member's name	Number of meetings (5)					Total	Attendance Ratios
		First 2025-03-19	Second 2025-05-01	Third 2025-07-31	Fourth 2025-10-27	Fifth 2025-12-16		
1	Ahmed Hammoud Ibrahim Altheyab	✓	✓	✓	✓	✓	5	100%
2	Taha Mohammed Abdul Wahid Azhari	✓	✓	✓	✓	✓	5	100%
3	George Abdulkarim George Moussa	✓	✓	✓	✓	✓	5	100%
4	Meshaal Mohammed Saleh Almogren	✓	✓	✓	✓	✓	5	100%
5	Sahal Yousef Abdullah Jamal Allail	✓	✓	✓	✓	✓	5	100%
6	Najeeb Abdullah Hussein	✓	✓	✓	✓	✓	5	100%

Table No. (20) Record of attending Board of Directors meetings for the year 2025 and the total number of (5) meetings

Ownership of the members of the Board of Directors of the company's shares

#	Member's name	shares owned by the members			
		Number of shares at Beginning of the year 2025	Ratio to total shares	Number of shares at Ending of the year 2025	Ratio to total shares
1	Ahmed Hammoud Ibrahim Altheyab	11,465,700	50.96%	114,657,000	50.96%
2	Taha Mohammed Abdul Wahid Azhari	75	0.00033%	750	0.00033%
3	George Abdulkarim George Moussa	10	0.00004%	100	0.00004%
4	Meshaal Mohammed Saleh Almogren	15	0.00007%	150	0.00007%
5	Sahal Yousef Abdullah Jamal Allail	450	0.002%	4,500	0.002%
6	Najeeb Abdullah Hussein	10	%0.00004	100	%0.00004

Table No. (21) The shares owned by the members of the Board of Directors of the company at the beginning and end of the year 2025 and their percentage of the total number of shares of the company, including the membership shares of the Board

The methods have been used by the Board of Directors to evaluate its performance, the performance of its committees and members, and the executive management

According to Article Thirty-Nine of the Governance Regulations of Zahrat Al-Waha For Trading Company approved by the company's general assembly, which states:

- a. The Board of Directors - based on the proposal of the Remuneration and Nominations Committee - establishes the necessary mechanisms to annually evaluate the performance of the Board, its members, its committees, and the executive management, through appropriate performance measurement indicators. It is related to the extent to which the strategic objectives of the company are achieved, the quality of risk management, the adequacy of the internal control systems, etc, provided that the strengths and weaknesses are identified and it is proposed to address them in a way that is consistent with the company's interest.
- b. Performance evaluation procedures must be written, clear, and disclosed to members of the Board of Directors and concerned persons.
- c. The performance evaluation must include the skills and experience possessed by the council, identifying its strengths and weaknesses, while working to address the weaknesses in possible ways, such as nominating professional competencies who can develop the council's performance. The performance evaluation must also include an evaluation of the work mechanisms of the council in general.
- d. The individual evaluation of members of the Board of Directors takes into account the extent of the member's effective participation and commitment to performing his duties and responsibilities, including attending the meetings of the Board and its committees and allocating the necessary time to them.
- e. The Board of Directors makes the necessary arrangements to obtain an evaluation of its performance from a competent third party every three years.
- f. The non-executive members of the Board of Directors conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members - without the Chairman of the Board attending the discussion designated for this purpose provided that the strengths and weaknesses are identified and a proposal is made to address them in a manner consistent with the interest of the company.

A. Responsibilities

- The Remuneration and Nominations Committee is responsible for preparing and reviewing indicators and tools for evaluating performance and proposing changes it deems appropriate.
- The Secretary of the Board of Directors is responsible for supporting and supporting the issuance and updating of indicators and tools for performance evaluation, and the development of procedures that help in their implementation.
- Submission to the Board of Directors for approval.
- The Secretary of the Board of Directors and the executive management in the company is responsible for implementing the indicators and tools for performance evaluation.

B. The methods have been used by the Board of Directors to evaluate its performance, the performance of its committees and members, and the executive management

The Board of Directors follows various means that enable it to evaluate its performance and the performance of its members and committees, based on the performance measurement indicators adopted in the project of evaluating the performance of members of the Board of Directors and the sub-committees and the executive management proposed by the Remuneration and Nominations Committee. Its objectives, the extent of the board member's interaction and his ability to present creative and innovative ideas, and the tools included several elements, the most important of which are the following:

1. Performance measurement standards for the Board and its committees

- The effectiveness of the discussions of the members of the board and its committees to achieve the company's goals and its strategic plan and its reflection on the topics raised during the year.
- The extent to which members of the Board and its committees adhere to the procedures required to be applied in the meetings.
- The extent of board committees' commitment to the tasks assigned to them by the board of directors.
- The extent of the existence of clear and open communication channels during meetings of the Board of Directors and its committees to present meaningful contributions and decisions.
- The extent to which members of the board received a written agenda in advance, and a brief notification about the meeting topics and timing well in advance of the meeting.
- The extent of the accuracy of board members in reviewing the annual financial statements, and the extent to which the board monitors cash flow, profitability, revenues, and other financial indicators to ensure that the company is working within the achievement of its approved goals.
- The quality of board members in monitoring the company's performance and comparing data related to the field in which the company operates.
- The effectiveness of the board members with issues that affect the company in the long term.
- The extent of board members' awareness of the difference between the role of the board in preparing policies and the role of the CEO in managing the company.
- The role of board members in assisting the CEO in preparing a clear and understandable policy.
- The extent of the effectiveness of the board in setting up a succession plan for the executive management in the company in case those positions become vacant.

2. Standards for measuring performance for members of the Board of Directors and members of committees

- Allocating time to the topics and needs of the company to enable proper decisionmaking. The extent to which a member of the Board of Directors and committees understands technical matters.
- Spend sufficient time with the CEO to understand the long-term plans. And the possibility of a member of the board of directors and committees to communicate with the chairman of the board of directors if required, and the extent of his understanding and understanding of the sectors of the company and the field in which it operates.
- The extent to which a member of the board can express an opinion on the strategy and direction of the company when this becomes necessary.
- The extent of objectivity of a board member in the face of difficult decisions, and the extent of his ability to express his opinion during

the meeting even if the point of view is different from other members of the board.

- The ability of a board member to collect the necessary information in order for him to be sufficiently informed in case he is absent from attending the meeting.
- The extent to which a member of the board of directors and committees takes the initiative when it is appropriate to obtain information relevant to the company.
- The extent to which a board member accepts the participation of other board members and committees, the extent of his ability to present creative and innovative ideas, and the extent of his reservation on the confidentiality of the information he receives.
- Sufficient level of experience to evaluate long-term strategies, policies, market developments and peculiarities of the field in which the company operates.

3. Performance Measurement Standards for Executive Management (CEO / Senior Executives):

The performance of the CEO and senior executives is evaluated for the purpose of reviewing the strategic and operational goals and their alignment with the functional objectives to be achieved, and determining the objectives that must be developed, periodically according to the following:

- Strategic planning: It works to ensure the development of a long-term strategy and establishes goals and plans that meet the needs of shareholders, customers, employees, and every stakeholder in the company, and also ensures harmonious and appropriate progress in its timing towards achieving strategic goals. It also obtains and allocates resources in a manner consistent with the strategic objectives and reports in a regular manner to the CEO / Board of Directors on the progress being made towards the main stages of the strategic plan.
- Leadership: develops and presents a clear and coherent vision of the company's values and goals, ensuring that it is fully understood and that it finds broad support and effective implementation within the company. It also fosters a corporate culture that encourages, appreciates and rewards leadership, excellence, and innovation, as well as ensures concepts that advance ethical norms, individual integrity and cooperation that establish values.

C. Performance standards

Performance standards are the appropriate practical measure that can be used in all fields and activities without relying on intangible theoretical standards - which differ from one person to another and the same person from one period to another - so it is necessary to choose concrete and consistent practical measures to measure the level of performance of activities and fields, and to ensure that they are running Towards the set strategic goals.

1. Definition of performance criteria

It is the level of what has been acquired and reached between one measurement point to another and includes a meaning and meaning that can be verified, as any plan needs to be followed up to ensure the correct implementation, and follow-up is part of the evaluation of what has been implemented during the work and the discovery of gaps in order to make the necessary adjustment and measurement by Inspection to discover defects and follow up on the implementation of the plan requires a benchmark comparison, which means that there are two parties to compare one of the other, and then it is necessary to define measurement criteria based on comparison. It also gives an indication of defects and thus provides an opportunity for improvement.

2. Requirements for the application of performance standards:

- a. The necessity of adopting performance measures at the same time that goals are set, this is the only way in which progress, and achievements can be evaluated in a fair and reasonable manner.
- b. The necessity of its association with the goals and strategic measures that have organizational significance and the development of business performance.
- c. It should relate to the goals and responsibilities of teams and individuals and be effective if used through duties and responsibilities.
- d. It is based on measurable results and achievements.
- e. It is based on evidence and data that can be available for measurement.
- f. The possibility of verifying it by providing information that confirms the validity of expectations and measurement results.
- g. To be as accurate as possible according to the availability of data and the purpose of the measurement.
- h. To be a sound basis for feedback and procedures.
- i. To be comprehensive and cover all major aspects of performance so that a set of measures can be provided.
- j. That the accounting measurement is the basis of the strategic plan, objectives and processes that have been built.

3. Data and information through which measurement standards can be set

- a. Financial statements (financial position, income statement, and cash flow statement).
- b. The annual planning budgets.
- c. Cash flows during the period of the strategic plan.
- d. The strategic plan.
- e. Objectives of the sub-plan.
- f. Operations objectives.
- g. Program objectives.
- h. Departmental objectives.
- i. Responsibilities and duties of each job.

D. Review and update performance evaluation indicators and tools

The indicators and tools of performance evaluation are subject to periodic review by the Remuneration and Nominations Committee with the aim of developing and updating them in line with the relevant laws and regulations and in accordance with the opinion of the Remuneration and Nominations Committee.

The remuneration of members of the Board of Directors, its sub-committees, and the management

In the interest of the company's management to raise the effectiveness of governance, and with the aim of achieving a high degree of transparency, achieving the company's objectives, and developing its performance, the company has adopted a policy of remuneration for members of the Board of Directors, the committees emanating from it, and the executive management in the company in accordance with the standards and controls contained in the Companies Law and the Corporate Governance Regulations. And other related laws and regulations.

The remuneration policy for the Board of Directors, the committees

emerging from it, and the executive management of the company have been prepared in order to comply with Article (59) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, which stipulates that the Remuneration and Nominations Committee shall "prepare a clear policy for the remuneration of members of the Board of Directors and the committees emanating from The Board and the Executive Management, and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account in this policy the following standards related to performance, disclosure of them, and verification of their implementation.

A. Policy objectives

This policy aims to set clear criteria for remuneration for members of the Board of Directors, its committees, and senior executives in light of the requirements of the companies' system and the rules and regulations of the Capital Market Authority. The policy also aims to attract individuals with a degree of competence, ability, and talent to work in the Board of Directors and the committees emanating from it and the executive management through Adopting plans and programs that stimulate rewards and are linked to performance, which contribute to improving the company's performance and achieving the interests of its shareholders.

B. Responsibilities

- The Remuneration and Nominations Committee is responsible for preparing, reviewing the policy, proposing the changes it deems appropriate, and submitting it to the Board of Directors for consideration.
- The Secretary of the Board of Directors is responsible for supporting the Remuneration and Nominations Committee to issue and update this policy, and to develop procedures that help in its implementation.
- Remuneration policy shall be submitted to the General Assembly for approval.
- The Financial Department and the Human Resources Department in the Executive Department of the company is responsible for implementing what is stated in this policy under the supervision of the Board of Directors responsible for its implementation.

C. Remuneration criteria

Without prejudice to the statutory requirements, the company's articles of association, and the requirements of the governance regulation, the remuneration of the members of the Board of Directors, the committees emanating from it, and the executive management are subject to the following standards:

1. Its consistency with the company's strategic plans, long-term and short-term goals, its activities, the sector in which it operates, the skills required to manage it, and the size, nature, and degree of risks of the company.
2. Remuneration is provided for the purpose of inducing members of the board of directors, the committees emanating from it, and the executive management on the long-term success and development of the company, such as linking the variable part of the remuneration to long-term performance.
3. Remuneration should be determined based on the level of the position, the tasks and responsibilities assigned to the occupant, academic qualifications, practical experiences, skills, and level of performance.
4. Taking into consideration the practices of other companies in determining remuneration, while avoiding the unjustified increase in rewards and compensation that may result from that.

5. That it aims to attract, maintain, and motivate professional competencies, without exaggerating them.
6. To prepare in coordination with the Remuneration and Nominations Committee and the Human Resources Department upon new appointments.
7. Organizing the award of shares in the company to members of the board of directors, the committees emanating from it, and the executive management, whether it is a new issue or shares purchased by the company.
8. That the remuneration be fair and commensurate with the member's competencies, business and responsibilities undertaken by the members of the board of directors, in addition to the goals set by the board of directors to be achieved during the fiscal year.
9. Remuneration should be based on the recommendation of the Remuneration and Nominations Committee.
10. Taking into consideration the sector in which the company operates its size and the experience of the members of the Board of Directors.
11. That the remuneration is reasonably sufficient to attract, motivate and retain competent and experienced board members.
12. The remuneration of the members of the Board of Directors and the committees emanating from it consist of an annual remuneration (a lump sum), attendance allowances for meetings and other entitlements as explained in this policy.
13. The remuneration of the members of the audit committee is approved by the general assembly and upon the recommendation of the board of directors.
14. A member of the Board of Directors may obtain a remuneration for his membership in the audit committee formed by the General Assembly, or for any business, executive, technical, administrative or advisory positions - under a professional license additional to be assigned to the company, in addition to the bonus that can be To obtain it in his capacity as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Articles of Association.
15. The remuneration of the members of the Board of Directors may be of varying magnitude to reflect the member's experience, competencies, tasks assigned to him, his independence, the number of sessions he attends, and other considerations.
16. If the audit committee or the body finds that the remuneration paid to any of the members of the board of directors or the executive management is based on incorrect or misleading information that was presented to the general assembly or included in the annual report of the board of directors, then they must be returned to the company, and the company has the right to ask him to refund them.

D. Remuneration of members of the Board of Directors and the committees emanating from it

1. The remuneration of a board member and all benefits received by them – if any – shall be as approved by the Ordinary General Assembly, in accordance with the relevant regulations, bylaws, and official instructions, and within the limits stipulated by the Companies Law and its implementing regulations.
2. The remuneration of a board member may be a fixed sum, an attendance allowance for meetings, inkind benefits, or a percentage of net profits. A combination of two or more of these benefits is also permissible.
3. If the remuneration is a percentage of the company's profits, this

percentage may not exceed (10%) of net profits, after deducting the statutory reserves approved by the General Assembly and after distributing a profit of not less than (1%) of the company's paidup capital to shareholders. The remuneration shall be proportional to the number of meetings attended by the member.

4. The remuneration of independent board members must not be a percentage of the company's profits or based directly or indirectly on its profitability, in order to preserve their independence.
5. In accordance with the provisions of the preceding clauses of this article, the remuneration and benefits of the members of the Board of Directors and its subcommittees shall be as per the table below:

1. Board Members:

Decription	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent board member (Deducted Sum)	SAR 150,000
Remuneration of a non-independent board member	SAR 0

Allowance for attending meetings and other allowances is paid annually, while the annual severed bonus is paid after its approval by the General Assembly.

2. Members of the Audit Committee:

Decription	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 50,000

Allowance for attending meetings and other allowances is paid annually, while the annual severed bonus is paid.

3. Members of the Remuneration and Nominations Committee:

Decription	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 30,000

4. Members of the Risks management Committee:

Decription	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 30,000

5. Members of the Corporate Governance Committee:

Decription	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 30,000

E. Executive management remuneration

First: General Framework

- The Remuneration and Nominations Committee reviews and approves the salary scale and benefits package for senior executives, including short and long-term incentive and reward programs, based on a

recommendation from the executive management and in accordance with the company's strategy and long-term objectives.

- Executive management compensation should be designed to achieve a balance between sustainable financial and operational performance, reflect the level of responsibilities assigned to them, and contribute to attracting, retaining, and motivating talent.
- The executive management compensation policy is subject to periodic review by the committee to ensure its compliance with relevant legislation and regulations, and with the company's strategic objectives.

Second: Components of Remuneration and Benefits

Executive management compensation includes the following elements:

1. Basic Salary:

Determined according to the nature of the job, level of responsibilities, qualifications, work experience, and specialized skills.

2. Allowances and In-Kind Benefits:

These include:

- Housing allowance or provision of suitable accommodation for the executive management member and their family.
- Transportation allowance or provision of suitable transportation.
- Medical insurance for the executive management member and their family.
- Social insurance coverage in accordance with the Kingdom's regulations.
- Children's education allowance (if applicable).
- Periodic travel tickets for the executive management member and their family (if applicable).
- Paid annual leave.
- End-of-service gratuity in accordance with the Saudi Labor Law and the company's Human Resources Regulations.
- Any other allowances or benefits approved by the Board of Directors based on the Committee's recommendation.

3. Performance-Related Rewards:

These include:

- Annual salary increase based on the results of the annual performance evaluation and individual and corporate performance indicators.
- A variable annual (short-term) bonus awarded based on achieving the operational and financial targets approved by the Board of Directors.
- A long-term incentive bonus (if applicable), aimed at encouraging sustainability and achieving long-term growth, based on predefined performance criteria.

F. Payment of bonuses

Rewards, as stipulated in the attached Rewards and Benefits Schedules, shall be paid in Saudi Riyals or its equivalent in any other currency through direct deposit into the bank accounts specified by the individual concerned.

G. General provisions

- Board members may not vote on the Board members' remuneration item at the General Assembly meeting.
- This policy supplements the company's Articles of Association, Corporate Governance Regulations, and Company Governance Bylaws.
- Any matter not addressed in this policy shall be governed by the relevant regulations and bylaws issued by the competent authorities.

H. Disclosure

First: Disclosure of Board Members' Remuneration

- The Board of Directors' annual report submitted to the Ordinary General Assembly must include a detailed and comprehensive statement of all compensation received by Board members during the fiscal year, including:
 - » Annual bonuses.
 - » Meeting attendance allowances.
 - » Other in-kind or monetary benefits.
 - » Any amounts paid to them for work, or executive, technical, administrative, or advisory positions assigned to them by the Board of Directors or its subcommittees.
- The report must also include a statement of the number of Board meetings held during the fiscal year, detailing the number of meetings attended by each member individually from the date of the last General Assembly meeting until the end of the fiscal year.

Second: Disclosure of Board Committee Remuneration

- The Board of Directors' report must include a statement of the bonuses and financial and in-kind benefits received by members of the Board's subcommittees, including meeting attendance allowances, annual bonuses, and other benefits, if any.
- The report also details the attendance rate of committee members at committee meetings during the fiscal year and the number of meetings held for each committee.

Third: Disclosure of Executive Management

Remuneration.

- The Board of Directors' report must include a statement of the financial and in-kind rewards and benefits received by the top five highest-paid executives during the fiscal year, including the CEO and CFO.

Fourth: Disclosure of Remuneration in the Board of Directors' Report

- Without prejudice to the above, the company shall disclose in its annual Board of Directors' report the rewards, compensation, and benefits received by members of the Board of Directors, members of committees emanating from the Board, and members of the executive management, in accordance with the Corporate Governance Regulations issued by the Capital Market Authority. This disclosure shall include the following:
 - » Remuneration and benefits granted to members of the Board of Directors.
 - » Remuneration and benefits granted to members of committees emanating from the Board.
 - » Remuneration and benefits granted to the top five highest-paid executives during the fiscal year, including the CEO and CFO.
- The disclosure must be accurate and transparent and include all rewards and benefits, whether in cash, in kind, shares or other benefits, whatever their name or nature, with a statement of the basis on which they were calculated, in compliance with the principle of disclosure and transparency stipulated in the relevant governance regulations.



Board of Directors remuneration

Board Member	Fixed remuneration						Variable remuneration							End of Services remuneration	E Total	Expenses allowances
	Board Members remuneration	Total Board attendance allowances	Total Committees attendance allowances	Advantages	technical, administrative and consulting works remuneration	Remuneration of chairman, managing director or secretary if he is a member	Total	Dividends	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Bonus shares (value is entered)	Total			
1.Independence members																
Taha Mohammed Ab-dul Wahid Azhari	0	28,000	28,000	0	150,000	0	178,000	0	0	0	0	0	0	0	178,000	0
Meshaal Mohammed Saleh Almogren	0	28,000	28,000	0	150,000	0	178,000	0	0	0	0	0	0	0	178,000	0
Sahal Yousef Abdullah Jamal Allail	0	28,000	28,000	0	150,000	0	178,000	0	0	0	0	0	0	0	178,000	0
Najeeb Abdullah Hus-sein	0	4,000	4,000	0	0	0	4,000	0	0	0	0	0	0	0	4,000	0
Total	0	88,000	88,000	0	450,000	0	538,000	0	0	0	0	0	0	0	538,000	0
2.Non-Executives members																
Ahmed Hammoud Ibrahim Altheyab	0	28,000	28,000	0	150,000	0	178,000	0	0	0	0	0	0	0	178,000	0
Total	0	28,000	28,000	0	150,000	0	178,000	0	0	0	0	0	0	0	178,000	0
3.Executives members																
George Abdulkarim George Moussa	0	28,000	28,000	0	0	0	28,000	0	120,000	0	0	0	120,000	700,702	848,702	0
Total	0	28,000	28,000	0	0	0	28,000	0	120,000	0	0	0	120,000	700,702	848,702	0
Totals	0	144,000	144,000	0	600,000	0	744,000	0	120,000	0	0	0	120,000	700,702	1,564,702	0

Table No. (22) Remuneration of Board Members during the year 2025





Membership of the board members of other companies

#	Member's name	Names of companies for which a member of the board of directors is a member of their current boards or directors	Inside / outside the Kingdom	The legal entity	Names of companies for which a member of the board of directors is a member of their previous boards or directors	Inside / outside the Kingdom	The legal entity
1	Ahmed Hammoud Ibrahim Altheyab	Hana Food Industries Company	Inside the Kingdom	closed joint stock	Hana Food Industries Company	Inside the Kingdom	closed joint stock
2	Taha Mohammed Abdul Wahid Azhari	--	--	--	Airports Holding Company	Inside the Kingdom	Government Company
		--	--	--	National Water Company	Inside the Kingdom	Government Company
		--	--	--	Saudi Comprehensive Trading Company (Carrefour)	Inside the Kingdom	Limited Liability Company
		--	--	--	Al Othaim Trading Company	Inside the Kingdom	Public joint stock
		--	--	--	Bank Aljazira	Inside the Kingdom	Public joint stock
		--	--	--	Arabian Shield Cooperative Insurance Company	Inside the Kingdom	Public joint stock
		--	--	--	Batic Investments and Logistics Company	Inside the Kingdom	Public joint stock
		Hana Food Industries Company	Inside the Kingdom	closed joint stock	--	--	--
		Nami Al-Qamariyah Financial Solutions	Inside the Kingdom	closed joint stock	--	--	--
		Raqmiyah Crowdfunding Company	Inside the Kingdom	closed joint stock	--	--	--
		Masdar Company	Inside the Kingdom	closed joint stock	--	--	--
3	George Abdulkarim George Moussa	Zahrat Al-Waha for Trading Company	Inside the Kingdom	Public joint stock	Othman Plastic Company – Takween	Inside the Kingdom	Public joint stock
4	Meshaal Mohammed Saleh Almogren	Diamond Concept Company	Inside the Kingdom	closed joint stock	Cooperative Insurance Company	Inside the Kingdom	closed joint stock
		Growth Path Company	Inside the Kingdom	closed joint stock	Middle East Gulf Company	Inside the Kingdom	Public joint stock
		Saudi Contract Registration Company	Inside the Kingdom	closed joint stock	Al Saif Commercial Agencies Company	Inside the Kingdom	closed joint stock
5	Sahal Yousef Abdullah Jamal Allail	The Saudi Real Estate Refinance Company - one of the Public Investment Fund companies	Inside the Kingdom	closed joint stock	Samba Financial Group	Inside the Kingdom	Public joint stock
		--	--	--	Khair Capital Saudi Arabia	Inside the Kingdom	closed joint stock
6	Najeeb Abdullah Hussein	Arab Bank Switzerland	Outside the Kingdom	Public joint stock	Arab National Bank	Inside the Kingdom	Public joint stock
		---	---	---	Ahli United Bank	Outside the Kingdom	Public joint stock
		---	---	---	Canadian Bank	Outside the Kingdom	Public joint stock

Table No. (23) Membership of Board Members of other companies



Board Committees

In the interest of the company's management to raise the effectiveness of governance, and with the aim of achieving a high degree of transparency, achieving the company's goals, and developing its performance, the company has adopted criteria for nominating members of the committees emanating from the company's board of directors and selecting them based on their competence and ability to represent the board of directors. Ensure the availability of experience, ability, and scientific and practical knowledge that would contribute to raising the company's strategic, supervisory, regulatory, and operational efficiency, and determining their remuneration in accordance with the standards and controls contained in the Companies Law and the Corporate Governance Regulations, and other relevant laws and regulations.

A. Audit Committee

The Audit Committee is considered one of the important committees in the listed public joint-stock companies because of its essential and effective role in supervising the work and procedures of external auditing, internal auditing, the internal control process, developing systems and plans related to these activities and following up on their implementation and the company's commitment and compliance with generally accepted regulations and standards. The regulations of the Saudi Capital Market Authority and the Saudi Companies Law have given special importance to the review committee through its formation by The Board of Directors in accordance with the provisions of the Companies Law and Article Thirty-Seven of the Articles of Association of Zahrat Al Waha Trading Company and strengthening its framework and powers.

First: Formation of the Audit Committee

1. An audit committee shall be formed by a resolution of the company's board of directors. The committee may consist of shareholders or non-shareholders, but shall not include any executive board members. The audit committee must have no fewer than three and no more than five members, including one with expertise in financial and accounting matters. The committee shall be formed according to the following criteria:
 - » At least one independent member must be included on the audit committee.
 - » The candidate must have a proven track record of experience relevant to the audit committee's responsibilities.
 - » The candidate must have a thorough understanding of the company's activities, operations, and the risks it faces.
 - » The candidate must be qualified in financial and accounting matters, such as holding a university degree or a professional accounting certification.
 - » The candidate must not be an employee (or have been employed within the past two years) of the company, any company within its group, or any related party, such as auditors, major suppliers, or clients, nor may they have held a controlling interest in any of these parties within the past two years.
 - » The candidate must not have been convicted of any act involving moral turpitude or dishonesty, or any violation of the regulations and bylaws in the Kingdom of Saudi Arabia or any other country.
 - » The candidate's selection for committee membership must not violate any relevant regulations, bylaws, or instructions.
2. The committee members shall elect a chairperson from among themselves for the duration of their membership. In the event of the chairperson's absence or inability to attend a remote meeting, the attending committee members shall appoint a chairperson for the meeting.
3. committee member shall commence their duties from the date of their appointment. Their membership shall terminate in any of the following cases:
 - » Expiration of the Board of Directors' term.
 - » Resignation, without prejudice to the company's right to compensation if the resignation occurs at an inopportune time.
 - » Suffering from a mental illness or physical disability that prevents them from performing their duties on the committee.
 - » A court ruling declaring them bankrupt or insolvent, or their request for a settlement with their creditors.
 - » Conviction of an act involving moral turpitude or dishonesty, forgery, or violation of the regulations and bylaws in force in the Kingdom of Saudi Arabia or any other country.
 - » Issuance of a decision by the Board of Directors to remove him from membership of the Committee for any of the following reasons:
 - » Breach of his responsibilities, duties, and obligations, resulting in harm to the interests of the Company.
 - » Absence from three consecutive meetings or five separate meetings during his membership period without a legitimate excuse.
 - » Other reasons deemed appropriate by the Board of Directors, without prejudice to the removed member's right to claim compensation from the Company if the removal occurred for an unacceptable reason or at an inappropriate time.
 - » Loss at any time of any of the criteria for selection to membership of the Audit Committee stipulated by law or these regulations.
4. If a seat on the Committee becomes vacant for one of the aforementioned reasons or any other reason during the membership period, the Board may appoint a member to fill the vacancy, provided that he meets the criteria for selection to membership of the Committee referred to in these regulations. The new member shall complete the term of his predecessor.
5. The committee shall appoint a secretary, either from among its members or from a suitable member of the company's management team, to prepare for committee meetings and proceedings, draft and document minutes, and follow up on the implementation of its recommendations, directives, and decisions. The secretary shall not have voting rights.
6. The company's general assembly, upon a proposal from the board of directors, shall issue the audit committee's bylaws. These bylaws shall include the committee's operating procedures, its responsibilities, the rules for selecting its members, the nomination process, the term of their membership, their remuneration, and the mechanism for appointing temporary members in the event of a vacancy.
7. A member of the audit committee may not serve on the audit committees of more than five publicly listed companies simultaneously.

#	Member's name	Current Position	Previous Position	Qualifications	Experiences
1	Taha Mohammed Abdul Wahid Azhari (Vice Chairman)	Retired	»Advisor to the CEO of Airports Holding Company »Head of Internal Audit at Airports Holding Company » Chief Financial Officer, Airports Holding Company »Chief Financial Officer of the National Water Company »General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour) »Head of Internal Audit, Al Othaim Trading Company	Bachelor of Accounting - King Saud University	»Board of Directors member, Zahrat Al-Waha Trading Company »Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company »Chairman of the Audit Committee, BATIC Investment and Logistics Company »Chairman of the Audit Committee of Hana Food Industries Company »Audit Committee Member, Bank Aljazira »Board of Directors member at Arabian Shield Cooperative Insurance Company »Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company »Chairman of the Audit Committee, Arabian Shield Cooperative Insurance Company »Board Member, Nami Al-Qamariyah Financial Solutions »Chairman of the Audit Committee, Nami Al-Qamariyah Financial Solutions »Board Member, Raqmiyah Crowdfunding Company »Chairman of the Audit Committee, Raqmiyah Crowdfunding Company »Chairman of the Audit Committee, Masdar Company
2	Meshaal Mohammed Saleh Almogren	Chief Executive Officer at Diamond Concept Company	»Head of the Internal Audit Department, The Cooperative Insurance Company »Head of the Internal Audit Department, Middle East Gulf Company »Audit Supervisor at KPMG Office	»Master of Business Administration University of Uclane England »Bachelor of Accounting - King Saud University	»Member of the Board of Directors of, Zahrat Al-Waha For Trading Company »Member of the Audit Committee of the Saudi Contract Registration Company
3	Ahmed Khader Mohammed Harara	Director of Consulting at Price water house Coopers	»Financial Director at Manno for Trade and Contracting »Executive Director at Ernst and Young Auditors and Chartered Accountants »Audit Supervisor at Athar Anderson Office	»Bachelor of Accounting	--

Table No. (24) Qualifications and experiences of Audit Committee



Audit Committee

Qualifications and experiences of Audit Committee

Taha Mohammed Abdul Wahid Azhari

Vice chairman

Head of Internal Audit Committee

» Current Position

- Retired

» Previous Position

- Advisor to the CEO of Airports Holding Company
- Head of Internal Audit at Airports Holding Company
- Chief Financial Officer, Airports Holding Company
- Chief Financial Officer of the National Water Company
- General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour)
- Head of Internal Audit, Al Othaim Trading Company

» Qualifications

- Bachelor of Accounting - King Saud University

» Experiences

- Chairman of the Audit Committee, Zahrat Al-Waha Trading Company
- Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company
- Chairman of the Audit Committee, BATIC Investment and Logistics Company
- Chairman of the Audit Committee of Hana Food Industries Company
- Audit Committee Member, Bank Aljazira
- Board of Directors member at Arabian Shield Cooperative Insurance Company
- Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company
- Chairman of the Audit Committee, Arabian Shield Cooperative Insurance Company
- Board Member, Nami Al-Qamariyah Financial Solutions
- Chairman of the Audit Committee, Nami Al-Qamariyah Financial Solutions
- Board Member, Raqmiyah Crowdfunding Company
- Chairman of the Audit Committee, Raqmiyah Crowdfunding Company
- Chairman of the Audit Committee, Masdar Company



Audit Committee

Qualifications and experiences of Audit Committee

Meshaal Mohammed Saleh Almogren

Board Member

Audit Committee Member

» *Current Position*

- Chief Executive Officer at Diamond Concept Company

» *Previous Position*

- Head of the In-ternal Audit De-partment, The Cooperative In-surance Compa-ny
- Head of the In-ternal Audit De-partment, Dutch Gulf Finance Company
- Head of the In-ternal Audit De-partment, Mid-dle East Gulf Company
- Audit Supervisor at KPMG Office

» *Qualifications*

- Master of Business Administration - University of Uclane England
- Bachelor of Accounting - King Saud University

» *Experiences*

- Member of the Audit Committee, Zahrat Al-Waha For Trading Company
- Member of the Audit Committee of the Saudi Contract Registration Company



Audit Committee

Qualifications and experiences of Audit Committee

Ahmed Khader Mohammed Harara

Audit Committee Member

» *Current Position*

- Director of Consulting at PricewaterhouseCoopers

» *Previous Position*

- Financial Director at Manno for Trade and Contracting
- Executive Director at Ernst and Young Auditors and Chartered Accountants
- Audit Supervisor at Athar Anderson Office

» *Qualifications*

- Bachelor of Accounting

» *Experiences*

- -



Objectives of the Audit Committee

The main objectives of the Audit Committee are:

1. To enhance internal control and corporate transparency by ensuring the effectiveness of the company's internal control systems and financial and administrative procedures, and guaranteeing the quality and accuracy of financial information and reports submitted to the Board of Directors and shareholders.
2. To ensure compliance with regulations and laws by monitoring the company's adherence to all applicable local and international regulations, bylaws, and instructions, thereby safeguarding the interests of the company and its shareholders.
3. To oversee internal and external audits by monitoring their performance and procedures, ensuring their independence and objectivity, and recommending necessary improvements.
4. To evaluate risk management systems by monitoring their adequacy and effectiveness, and reviewing corrective actions and plans to address material observations.
5. To support the decisionmaking process and enhance the Board of Directors' effectiveness in decisionmaking by providing recommendations based on an objective evaluation of the company's financial, administrative, and operational data.
6. To define and ensure responsibilities by establishing a clear framework for the responsibilities of the committee and its members, and their operational procedures, thereby promoting the effective and independent performance of committee members.
7. Protecting the interests of shareholders and stakeholders by ensuring that the company's activities and decisions are aligned with those interests, and by providing mechanisms for reporting violations and protecting whistleblowers.

The Committee's Powers, Responsibilities, and Functions

The Audit Committee is responsible for monitoring the company's operations and verifying the integrity and fairness of its financial reports, statements, and internal control systems. The Committee's duties specifically include the following:

First: Financial Reports

- Reviewing the company's preliminary and annual financial statements before their presentation to the Board of Directors, and providing its opinion and recommendations to ensure their integrity, fairness, and transparency.
- Providing a technical opinion – at the request of the Board of Directors – on whether the Board's report and the company's financial statements are fair, balanced, and understandable, and whether they contain information that allows shareholders and investors to evaluate the company's financial position, performance, business model, and strategy.
- Examining any significant or unusual matters included in the financial reports.
- Reviewing the Internal Audit Department's quarterly and annual reports and recommending their submission to the Board of Directors.
 - Thoroughly investigate any issues raised by the company's Chief Financial Officer, their designee, the company's Compliance Officer, or the external auditor.
- Verify accounting estimates on material matters presented in the financial reports.
- Review the company's accounting policies and provide opinions and recommendations to the Board of Directors regarding them.

Second: Internal Audit

- Review and assess the effectiveness of internal control, financial, and

risk management systems through periodic reports from the Internal Audit Department or other sources. This includes monitoring the adequacy and effectiveness of these systems and following up on the implementation of recommendations and corrective actions for any observations.

- Review internal audit reports and follow up on the implementation of corrective actions for any observations.
- Monitor and supervise the performance and activities of the internal auditor and the Internal Audit Department to ensure the availability and effectiveness of the necessary resources in fulfilling their assigned tasks and responsibilities.
- Recommend to the Board of Directors the appointment of the Internal Audit Unit or Department Manager or the Internal Auditor and propose their remuneration.
- Recommend to the Board of Directors the approval of the organizational structure and job descriptions for the Internal Audit Department, and ensure its independence within the company's organizational structure.
 - Preparing a report to the Board of Directors that includes its opinion on the adequacy of these systems, its recommendations for addressing substantive issues, any other recommendations for developing these systems, and information on other work undertaken within its purview.

Third: External Auditor

- Recommending to the Board of Directors the nomination and dismissal of external auditors, determining their fees, and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- Verifying the independence, objectivity, and fairness of the external auditor, and the effectiveness of the audit work, taking into account relevant rules and standards.
- Reviewing the external auditor's plan and work, verifying that they are not providing technical, administrative, or consulting services that fall outside the scope of the audit, and providing feedback on this.
- Responding to inquiries from the external auditor and providing the necessary support to enable them to perform their duties.
- Reviewing the external auditor's report and observations on the financial statements and following up on the actions taken in response.

Fourth: Ensuring Compliance

- Reviewing the findings of regulatory reports and verifying that the company has taken the necessary actions in response.
 - Verifying the company's compliance with relevant regulations, policies, and instructions.
- Reviewing contracts and transactions proposed by the company with related parties and submitting its observations to the Board of Directors.
- Submitting any matters requiring action to the Board of Directors and recommending the necessary actions.
- Fifth: Arrangements for Submitting Comments
- Establishing a suitable mechanism for company employees to submit comments regarding any violation of the company's internal regulations, including those related to the preparation of the company's financial statements. This mechanism must ensure that the rights of the person submitting the comment are not infringed upon.
- Ensuring the implementation of this mechanism by conducting an independent investigation commensurate with the severity of the error or violation and adopting appropriate followup procedures

Committee meetings

The committee meets periodically, provided that its meetings are not less than (4) meetings during the company's fiscal year

#	Member's name	Position	Number of meetings (6)						Attendance Ratios
			First 2025-03-19	Second 2025-05-01	Third 2025-07-13	Fourth 2025-07-31	Fifth 2025-10-27	Sixth 2025-12-16	
1	Taha Mohammed Abdul Wahid Azhari	Chairman	✓	✓	✓	✓	✓	✓	100%
2	Meshaal Mohammed Saleh Al-mogren	Member	✓	✓	✓	✓	✓	✓	100%
3	Ahmed Khader Mohammed Harara	Member	✓	✓	✓	✓	✓	✓	100%

 Attended
  Absent
  Resigned

Table No. (25) attendance record for the Audit Committee meetings for the year 2025, a total of (6) meeting

First: Audit Committee Report to the General Assembly

Formation and Meetings of the Audit Committee

- The Audit Committee is independent and consists of three non-executive members. The Committee holds a minimum of four meetings per year.
- Members of the company's executive management and external auditors may be invited, in addition to any other persons or entities as the Committee deems appropriate.
- The Internal Audit Manager serves as the Committee's rapporteur and secretary.
- On July 17, 2019, the Audit Committee's responsibilities were amended to include the duties and functions of the Risk Management Committee by a resolution of the company's Board of Directors.
- Effective December 26, 2024, the Audit Committee elected Mr. Taha Mohamed Abdelwahed Azhari as its Chairman.
- The Committee met six times during 2025, as detailed in Table (25), the Audit Committee Meeting Attendance Record.

Committee Responsibilities and Functions

1. Financial Reports

The committee reviewed and discussed the company's quarterly and annual financial statements for 2025 and recommended their approval. Providing a technical opinion on whether the Board of Directors' annual report and the company's financial statements are fair, balanced, and understandable.

Verifying accounting estimates on material matters presented in the financial reports.

Reviewing the company's financial and accounting policies.

2. Internal Audit and Risk Management

The committee discussed the internal audit and risk management plan, updated the risk assessment, and monitored the performance of the internal audit and risk management department throughout the year.

The committee discussed the internal audit and risk management department's quarterly and annual reports for 2025 in accordance with the internal audit and risk management plan.

The committee evaluated the annual performance of the internal audit manager for 2025.

3. External Auditor

The committee nominated several professional firms to appoint the company's external auditor for 2025. The Board of Directors decided to appoint KPMG Professional Consulting. Review the external auditor's work plan and procedures, ensuring compliance with all applicable rules and standards.

Verify the auditor's independence, objectivity, fairness, and the

effectiveness of the audit process.

Review the auditor's reports and observations on the financial statements and follow up on any actions taken.

4. Ensuring Compliance

Review and approve amendments to the Conflict of Interest Policy and the Audit Committee's Rules of Procedure for submission to the Board of Directors.

Review regulatory reports concerning the company's compliance with regulations and instructions, and ensure the company takes the necessary actions.

Review proposed contracts and transactions between the company and related parties, and provide feedback to the Board of Directors.

The Audit Committee's Opinion on the Adequacy of the Company's Internal Control, Financial, and Risk Management Systems:

Based on the work performed by the Committee during the year ending December 31, 2025, and on the reports of the Internal Audit and Risk Management Department and the External Auditor, the Audit Committee found no material weaknesses that could affect internal control procedures. The Committee concluded that the company's policies and procedures are adequate, while continuing to recommend to the company's management the ongoing development and improvement of the efficiency and effectiveness of the existing internal controls and the necessity of continuously updating the company's policies and procedures.

Second: Results of the Internal Audit and Evaluation of the Effectiveness of the Internal Control System

First: Foundations of Internal Control and Application of the Control Cycle within the Company

Based on internal control reports, the Audit Committee reviews the control cycle for all company activities according to the following principles:

- Ensuring the proper application of systems and regulations to enhance confidence in the reports of subsidiary companies.
- Evaluating the administrative, financial, operational, and marketing policies and procedures of each company according to the nature of its business.
- Ensuring the accuracy of the information contained in the periodic reports of these companies and verifying its validity.
- The ability to make appropriate decisions by identifying problems and obstacles and working to resolve them as a form of preventative control.
- The Audit Committee monitors compliance with the financial control program approved by the Board of Directors for overseeing the company's investments.

Second: Results of the Annual Review of the Effectiveness of Internal Controls. The following are the most important procedures and key observations:

In light of the work carried out by the Committee during the year ending December 31, 2025, and based on the reports of the Internal Audit and Risk Management Department and the External Auditor, the Audit Committee did not find any material weaknesses that would affect internal control procedures. The Committee found the company's policies and procedures to be adequate, while continuing to recommend to the company's management the ongoing development and improvement of the efficiency and effectiveness of the existing internal controls and the necessity of continuously updating the company's policies and procedures.

Third: Risks and Management Policy for Dealing with Them:

Like most companies, the company operates in a high-risk, rapidly changing environment. In light of these challenges, the company strives to develop and expand its business by capitalizing on all available investment opportunities. Based on a thorough understanding of the risks associated with the company's vision, the company has conducted risk analysis and management to protect its current and future operations and provide proactive and preventative measures for potential risks. The company works to unify strategies and processes, as well as guide and train employees to follow a standardized approach to managing risks that the company may face in the future. This helps the company achieve its strategic objectives. The risk management process is based on identifying and analyzing the risks facing the company in two ways:

- » Risk Assessment: Analyzing risks and working to address them to prevent their occurrence or minimize their impact if they do occur.
- » Business Continuity: By enhancing Level of preparedness and readiness to deal with risks should they occur.

To achieve the company's strategic objectives, it has established appropriate procedures for assessing risks related to strategic decisions, in addition to providing support for assessing risks related to certain strategic operations:

First: The Concept of Risk Management in the Company:

Risk management is the process of measuring and evaluating potential risks and developing management strategies that include preventative measures against these risks and facilitate the early detection of actual problems in order to minimize their negative impact on the company. The optimal approach to risk management is to prioritize risks, addressing those that could result in significant losses or substantial impacts first, while less impactful risks are addressed later.

Second: Why the Company Focuses on Risk Management:

- To closely monitor and control the risks surrounding the company's activities and operations.
- To identify the appropriate treatment for each type of risk.
- To minimize and accept losses to the lowest possible level.
- To provide appropriate confidence to all stakeholders in the company, especially shareholders, creditors, suppliers, and customers, in order to protect the ability to generate profits despite any incidental losses that may lead to reduced or no profits.

Third: The Company's Philosophy in Dealing with Risks:

The company's philosophy is based on the premise that risk is an integral part of any profit-oriented activity, especially in the industrial sector.

Therefore, the company deals with risks by classifying them into four main categories, which include the following:

- 1. Risk Avoidance:** This means attempting to avoid activities that could lead to a risk.
- 2. Risk Reduction:** This is achieved by reducing the investment that generates the risk or by involving others in bearing the risk.
- 3. Risk Transfer:** This is done by securing mechanisms that facilitate the acceptance of the risk, usually through contracts or financial protection such as insurance contracts.
- 4. Risk Acceptance:** This means management's acceptance of losses when they occur. This may be acceptable for small risks.

Fourth: The most significant risks facing the company:

The risks listed below (whether operational, financial, or market risks) do not encompass all the risks the company may face. Additional risks may exist, but these are either unknown to the company at present or considered by the company to be non-material and not impeding its operations. To this end, the company has prepared a register of potential risks and control measures that will mitigate or prevent their occurrence. These risks can be summarized as follows:

a. Global Economic Fluctuations and Financial Crises

The company is not only affected by the local economy, but its operations and expansions are also impacted by global economic conditions. It is certainly affected by global financial crises that emerge from time to time. This may force current and potential customers to reduce spending on the company's products, thus impacting its profitability, especially since the company has a significant number of international customers outside the Kingdom. Financial institutions with which the company deals may also be affected. Furthermore, the timing, strength, and duration of any subsequent economic slowdown or recovery cannot be predicted.

b. Regional Political and Economic Conditions

The region is experiencing some political instability that extends to many of the countries the company deals with, which may negatively affect access to some customers in those areas. This, in turn, impacts one of the company's most important strategic objectives: targeting new markets and diversifying revenue streams.

c. The Competitive Environment

The company's growth and profit maximization are closely linked to its ability to compete and maintain its leading position among other local and international companies by maintaining the quality and diversity of its products. However, the competitive environment may compel the company to reduce some of its prices to retain its major customers and market share.

d. Main Suppliers

Reliance on a single main supplier of raw materials used in manufacturing the company's products is considered one of the greatest risks, to which the company pays special attention. This is especially true since the main supplier directly impacts the company's core operations if the supply is interrupted for any reason or if the supplier refuses to supply for any reason. Furthermore, the main supplier has the exclusive right to set the price levels for raw materials. On the other hand, the company lacks the capacity to import these materials from the global market at higher prices due to customs duties, transportation, storage, and other fees, as well as the difficulty of obtaining approval from relevant authorities to import a product that is available locally.

e. Energy and Raw Material Prices

The company's sales and profitability depend directly on two main elements: energy product prices and raw material prices. These prices are unpredictable, especially given recent government decisions that included an increase in energy product prices, with no clear indication of future increases. Additionally, raw material prices fluctuate according to global oil price volatility, and this is expected to continue. The company's performance depends, in part, on its ability to incorporate these cost changes into the selling prices of its products.

f. Operational Breakdowns and Sudden Disruptions

The company operates on a workforce-based system to ensure continuous, uninterrupted, 24/7 operation. However, certain risks can negatively impact the company's operational efficiency, such as natural disasters, machinery or computer malfunctions, accidents involving critical personnel, and power or water outages. These risks can lead to increased costs and decreased revenue and profits. Despite adhering to all standards for ongoing periodic and preventative maintenance, the company cannot guarantee the uninterrupted operation of its processes.

g. Enterprise Resource Planning (ERP) System

All departments rely on the company relies primarily on computer systems to manage its assets, monitor its activities and financial records, and utilize an enterprise resource planning (ERP) system for all its financial, administrative, and operational processes. Therefore, any malfunction in this system, or any dispute over ownership rights, will negatively impact the company's operations and workflow. To mitigate this, the company ensures regular system updates through a specialized consultant and contracts with a reputable company to maintain backups of all its data.

h. Currency Exchange Rates and Interest Rates

The company's international imports and exports are conducted using currencies closely pegged to the Saudi Riyal, such as the US Dollar and the Euro. Any fluctuation in the value of the Saudi Riyal against these currencies could negatively impact the company's revenues and profits. Furthermore, any adverse shifts in exchange rates in non-dollar dominated markets could negatively affect the company's profitability due to the Saudi Riyal's peg to the US Dollar. Furthermore, fluctuations in interest rates among Saudi banks, in addition to global interest rate volatility and its impact on financial institutions with which the company may deal now or in the future, can increase borrowing costs and negatively affect operating results.

i. Insurance Coverage

Although the company has several insurance policies related to its manufacturing operations, these policies may not provide complete coverage against all potential risks associated with its business. Due to changing market conditions, insurance premiums and deductibles in some policies can increase significantly in certain cases. This can lead to a substantial increase in operating costs, which in turn reduces profitability. Therefore, the company has engaged an insurance consultant to secure the best terms and coverage that encompass most of the risks surrounding its operations.

j. Legislative and Regulatory Environment

The company operates within a dynamic legislative environment, subject to the laws and regulations in force in the Kingdom of Saudi Arabia. These laws and regulations may be subject to change, which could have positive or negative impacts on the company's operations. The company may also modify its products or processes to align with any future changes in these laws and regulations. To mitigate any negative impacts arising from such changes, the company continuously monitors any violations of applicable regulations, both locally and in any of the countries where it operates. It then studies the impact of these violations on its operations and takes all necessary measures to minimize their effects or leverage them to its advantage.

k. Labor Laws and Regulations

Saudi Arabian legislation mandates compliance with Saudization quotas for companies through the Nitaqat program, which requires a certain percentage of Saudi employees out of the total workforce. The company has achieved the required quota and continues its ongoing efforts to Saudize a number of administrative positions, in line with its expansion plan, which necessitates a significant workforce across its various departments. Despite the company's belief in the importance of Saudization as a national development requirement, it faces difficulties and challenges due to the nature of its industrial activity and the unsuitability of its operations for Saudi job seekers. Its heavy reliance on expatriate labor makes achieving Saudization targets difficult, and the associated risks persist, especially with rising labor and recruitment costs.

l. Environment, Safety, and Occupational Health

In its pursuit of the highest occupational safety and health standards, the company has adopted stricter standards to ensure preventative safety requirements. This increases costs, which may negatively impact its business results and financial position. Furthermore, the company's operations and financial position may be negatively affected by losses or material damages resulting from handling hazardous materials or accidents during production processes that are not covered by insurance policies. Therefore, the company considers maintaining the health and safety of its employees and human resources a top strategic priority, and all its facilities adhere to local and international safety standards.



B. Remuneration and Nominations Committee

The main objectives of the Remuneration and Nominations Committee are to assist the company's Board of Directors in carrying out the following tasks and responsibilities:

- Overseeing the remuneration and incentive plan for members of the Board of Directors, members of its subcommittees, members of the executive management, and company employees, and monitoring its implementation.
- Overseeing the management succession plans for senior leadership at the company level.
- Overseeing the nomination process for membership on the Board, its subcommittees, and the company's executive management, and ensuring that it is linked to performance.
- Overseeing and ensuring the implementation of the employee grievance policy.
- Managing the performance evaluation process for members of the Board, its subcommittees, and members of the executive management.

First: Committee Formation

The Remuneration and Nominations Committee is formed by a resolution of the Board of Directors. The company's Ordinary General Assembly shall issue the rules for selecting committee members, their term of membership, the committee's tasks and operating procedures, and the remuneration of its members, based on a proposal from the Board of Directors.

Second: Disclosure to Regulatory Authorities

The company's board of directors must notify the financial market of the names and titles of the committee members within ten working days of their appointment, and of any changes thereto within ten working days of the date of the changes.

Third: Committee Composition

The Remuneration and Nomination Committee shall be composed of non-executive board members or non-board members, whether shareholders or non-shareholders.

The committee shall consist of no fewer than three and no more than five members, including at least one independent board member.

Fourth: Rules for Selecting Committee Members

The following conditions must be met by candidates for membership in the Remuneration and Nominations Committee:

- The candidate must have a record of experience relevant to the duties of the Remuneration and Nominations Committee.
- The candidate must have a good understanding of the company's activities and operations, and the skills and experience required to manage them.
- The candidate must hold a university degree.
- The candidate must not have been convicted of any act involving moral turpitude or dishonesty, or any violation of the regulations and bylaws in the Kingdom of Saudi Arabia or any other country.
- The selection of the candidate must not violate any relevant regulations, bylaws, or instructions.

Fifth: Committee Chair

The committee members shall elect a chairperson from among themselves for the duration of the committee's term. The chairperson must be an independent member of the board of directors. In the event of the chairperson's absence or inability to attend the meeting, the members present shall appoint a chairperson from among themselves.

Sixth: Commencement and Termination of Membership

A member begins performing their duties from the date of their appointment by the Board of Directors. Their membership terminates in any of the following cases:

- Expiration of the Board of Directors' term.
- Resignation from the committee, without prejudice to the company's right to compensation if the resignation is at an inappropriate time.
- Incapacity due to health reasons preventing them from performing their duties.
- A court ruling declaring them bankrupt or insolvent, or their request for a settlement with their creditors.
- Conviction of an act involving moral turpitude, dishonesty, forgery, or violation of regulations and bylaws in the Kingdom or abroad.
- A decision by the Board of Directors to remove them from committee membership for one of the following reasons:
 - » Breach of their responsibilities, duties, and obligations in a manner detrimental to the company's interests.
 - » Absence from three consecutive meetings or five separate meetings during their membership period without a legitimate and acceptable excuse.
 - » Any other reason deemed appropriate by the Board, without prejudice to the member's right to claim compensation if the removal is due to an unacceptable reason or at an inappropriate time.
- Loss at any time of any of the membership requirements and rules specified in these bylaws.

Seventh: Vacancy

In the event that a committee member's seat becomes vacant for any reason, the Board of Directors shall appoint a replacement member who meets the conditions stipulated in these bylaws. The new member shall complete the term of their predecessor.

Eighth: Committee Secretary

The committee shall have a secretary appointed by the Board of Directors. The secretary shall be responsible for coordinating committee meetings, preparing meeting minutes, maintaining records and documents, and following up on the implementation of committee decisions.

#	Member's name	Current Position	Previous Position	Qualifications	Experiences
1	Taha Mohammed Abdul Wahid Azhari (Vice Chairman)	Retired	»Advisor to the CEO of Airports Holding Company »Head of Internal Audit at Airports Holding Company » Chief Financial Officer, Airports Holding Company »Chief Financial Officer of the National Water Company »General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour) »Head of Internal Audit, Al Othaim Trading Company	Bachelor of Accounting - King Saud University	»Board of Directors member, Zahrat Al-Waha Trading Company »Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company »Chairman of the Audit Committee, BATIC Investment and Logistics Company »Chairman of the Audit Committee of Hana Food Industries Company »Audit Committee Member, Bank Aljazira »Board of Directors member at Arabian Shield Cooperative Insurance Company »Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company »Chairman of the Audit Committee, Arabian Shield Cooperative Insurance Company »Board Member, Nami Al-Qamariyah Financial Solutions »Chairman of the Audit Committee, Nami Al-Qamariyah Financial Solutions »Board Member, Raqmiyah Crowdfunding Company »Chairman of the Audit Committee, Raqmiyah Crowdfunding Company »Chairman of the Audit Committee, Masdar Company
2	Turky Naser Ahmed Alshaher	Human Resources General Manager at Trans Contracting Company	Director of Human and Administrative Resources Department at Arab Tec Jardine & Co. General Manager of Human and Administrative Resources for Hana Health Water Company for Food Industries General Manager of Human and Administrative Resources for Al-Harbi Contracting Company General Manager of Marco Company (Mashael Al-Rowwad Contracting Company) Managing Director of Ron Products International American Company in Riyadh Director of Human and Administrative Resources Department for Gulf Investment Company. General Manager of Human and Administrative Resources for Al-Saif Group Company. General Manager of Al-Manara Company, Panasonic Japanese Agent in Riyadh. Head of Human and Administrative Resources for the Italian International Company, Proger, in Riyadh. Head of Human and Administrative Resources for the French Company, Aegis, Riyadh.	»Diploma in Computer Science for Modern Secretarial Studies Chamber of Commerce »Human Resources Hndra Course »Social Insurance Course	Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company
3	Sahal Yousef Abdullah Jamal Allail	Head of Sustainability and ESG Practices, Saudi Real Estate Refinance Company (PIF)	»Director of Sharia Department, Saudi Real Estate Refinance Company (Public Investment Fund) »Assistant General Manager (Head of Islamic Banking) at Samba Financial Group »Assistant General Manager (Director of Audit and Sharia Audit) at Samba Financial Group »Financial Director at Al-Khair Capital Saudi Arabia »Assistant General Manager at (Islamic Business Development) Samba Financial Group »Auditor at Saudi Arabian Monetary Agency SAMA	»Master of Business Administration (MBA) - University of Bridgeport - USA »Bachelor of Accounting - King Saud University	»Member of the Remuneration and Nominations Committee, Zahrat Al Waha Trading Company

Table No. (26) Qualifications and experience of the Remuneration and Nominations Committee

Remuneration and Nominations Committee

Qualifications and experience of the Remuneration and Nominations Committee

Taha Mohammed Abdul Wahid Azhari

Vice chairman

Chairman of the Remunerations and Nominations Committee

» *Current Position*

- Retired

» *Previous Position*

- Advisor to the CEO of Airports Holding Company
- Head of Internal Audit at Airports Holding Company
- Chief Financial Officer, Airports Holding Company
- Chief Financial Officer of the National Water Company
- General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour)
- Head of Internal Audit, Al Othaim Trading Company

» *Qualifications*

- Bachelor of Accounting - King Saud University

» *Experiences*

- Chairman of the Audit Committee, Zahrat Al-Waha Trading Company
- Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company
- Chairman of the Audit Committee, BATIC Investment and Logistics Company
- Chairman of the Audit Committee of Hana Food Industries Company
- Audit Committee Member, Bank Aljazira
- Board of Directors member at Arabian Shield Cooperative Insurance Company
- Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company
- Chairman of the Audit Committee, Arabian Shield Cooperative Insurance Company
- Board Member, Nami Al-Qamariyah Financial Solutions
- Chairman of the Audit Committee, Nami Al-Qamariyah Financial Solutions
- Board Member, Raqmiyah Crowdfunding Company
- Chairman of the Audit Committee, Raqmiyah Crowdfunding Company
- Chairman of the Audit Committee, Masdar Company



Remuneration and Nominations Committee

Qualifications and experience of the Remuneration and Nominations Committee

Turky Naser Ahmed Alshafer

Remunerations and Nominations Committee Member

» *Current Position*

- Human Resources General Manager at Trans Contracting Company

» *Previous Position*

- Director of Human and Administrative Resources Department at Arab Tec Jardine & Co.
- General Manager of Human and Administrative Resources for Hana Health Water Company for Food Industries
- General Manager of Human and Administrative Resources for Al-Harbi Contracting Company
- General Manager of Marco Company (Mashael Al-Rowwad Contracting Company)
- Managing Director of Ron Products International American Company in Riyadh
- Director of Human and Administrative Resources Department for Gulf Investment Company.
- General Manager of Human and Administrative Resources for Al-Saif Group Company.
- General Manager of Al-Manara Company, Panasonic Japanese Agent in Riyadh.
- Head of Human and Administrative Resources for the Italian International Company, Proger, in Riyadh.
- Head of Human and Administrative Resources for the French Company, Aegis, Riyadh.

» *Qualifications*

- Diploma in Computer Science for Modern Secretarial Studies - Chamber of Commerce
- Human Resources Hndra Course
- Social Insurance Course

» *Experiences*

- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company



Remuneration and Nominations Committee

Qualifications and experience of the Remuneration and Nominations Committee

Sahal Yousef Abdullah Jamal Allail

Board Member

» *Current Position*

- Head of Sustainability and ESG Practices, Saudi Real Estate Refinance Company (PIF)

» *Previous Position*

- Director of Sharia Department, Saudi Real Estate Refinance Company (Public Investment Fund)
- Assistant General Manager (Head of Islamic Banking) at Samba Financial Group
- Assistant General Manager (Director of Audit and Sharia Audit) at Samba Financial Group
- Financial Director at Al-Khair Capital Saudi Arabia
- Assistant General Manager at (Islamic Business Development) Samba Financial Group
- Auditor at Saudi Arabian Monetary Agency - SAMA

» *Qualifications*

- Master of Business Administration (MBA) - University of Bridgeport - USA
- Bachelor of Accounting - King Saud University

» *Experiences*

- Member of the Remuneration and Nominations Committee, Zahrat Al Waha Trading Company



Second: Terms of reference of the Remunerations and Nominations Committee

In accordance with the rules governing the Remuneration and Nominations Committee in the Corporate Governance Regulations issued by the Capital Market Authority, the duties and responsibilities of the committee are as follows:

First: Remuneration

Preparing a comprehensive and clear policy for the remuneration of board members, its subcommittees, and senior executives, and submitting it to the board of directors for consideration prior to its approval by the general assembly, taking into account:

- » Linking remuneration to individual and institutional performance levels.
- » Clarity of the criteria for granting remuneration and ensuring transparency in its disclosure.
- » Full adherence to the provisions of the approved remuneration policy.
- Recommending to the board of directors the remuneration of board members, its subcommittees, and senior executives in accordance with the policy approved by the general assembly.
- Identifying the types of rewards and incentive benefits granted to company employees and submitting appropriate recommendations regarding them.
- Reviewing the remuneration policy periodically and systematically and submitting recommendations to the board of directors regarding any proposed amendments to ensure its suitability to changes that may occur in:
 - » Relevant legislation and regulations.
 - » The company's strategic objectives.
 - » The skills and qualifications required to achieve those objectives.
- Preparing a comprehensive annual report on the compensation granted to members of the Board of Directors, its committees, and senior executives, including:
 - » A statement of the relationship between actual compensation and the approved policy.
 - » An explanation of any material deviations from the policy and their reasons.

Second: Nominations

1. Board of Directors

- Developing a policy and criteria for Board membership and recommending them to the Board for approval by the company's Ordinary General Assembly.
- Recommending to the Board of Directors the nomination and re-nomination of candidates for Board membership in accordance with the approved policies and criteria, ensuring that no person previously convicted of a crime involving moral turpitude is nominated.
- Conducting an annual review of the skills required for Board membership and preparing a description of the necessary abilities and qualifications. • Periodically review the Board of Directors' membership policy to ensure its alignment with any changes in relevant legislation and regulations, the company's strategic objectives, and the skills and qualifications required to achieve them. Recommend proposed changes to this policy to the Board of Directors.
- Review potential conflicts of interest among those seeking Board membership and make recommendations.
- Review the Board of Directors' structure and recommend any

necessary changes.

- Identify the Board's strengths and weaknesses and propose solutions to address them in a manner that serves the company's best interests.
- Develop and recommend procedures to be followed in the event of a vacancy on the Board of Directors or its subcommittees.
- Annually verify the independence of independent members and ensure there are no conflicts of interest if a member also serves on the board of another company.
- Recommend performance standards to the Board of Directors for evaluating the work of the Board, its members, and its subcommittees.

2. Board Members

- Define the time and professional obligations required of each member to perform their duties effectively. • Conduct an annual review of the independence of independent members and verify the absence of any conflict of interest.
- Develop detailed job descriptions for executive, non-executive, and independent members.
- Recommend the renomination or removal of any member of the Board or its subcommittees as needed.
- Submit the committee's findings and recommendations to the Board of Directors transparently and clearly.

3. Senior Executives

- Recommend to the Board of Directors appropriate policies and criteria for appointing senior executives, defining the required capabilities and skills, and reviewing these policies and criteria periodically to ensure their alignment with changes in the company's strategic objectives and the skills and qualifications needed to achieve them.
- Develop job descriptions for senior executives, review the company's organizational structure, and submit recommendations regarding potential changes.
- Establish clear criteria for evaluating the CEO's performance and monitor the evaluation results annually.
- Review and approve the company's objectives related to the CEO's compensation.
- Review the CEO's performance annually to ensure effective leadership of the company. • Review management development programs and succession plans for senior executives in coordination with the CEO.
- Review performance evaluation objectives (including key performance indicators) to be achieved within rewards and incentive programs.
- Prepare an annual report on executive management bonuses for inclusion in the company's annual report, in accordance with applicable regulations and procedures.
- Develop and recommend succession procedures in the event of a senior executive position becoming vacant. To enable the Remuneration and Nominations Committee to perform its duties, the committee shall have the following powers:
 - » Request information and data that will assist the committee in studying matters within its purview or those referred to it by the Board of Directors.
 - » Seek assistance from experts, specialists, or others as it deems necessary to study matters falling within its duties and responsibilities, subject to the approval of the Board of Directors.

Third: Orientation Program for New Board Members

The committee recommends to the Board of Directors the preparation and implementation of a comprehensive orientation program for new members covering the following aspects:

- The company's activities and nature of business.
- The company's organizational, financial, and legal environment.
- The members' statutory and fiduciary responsibilities.
- Informing the board of directors of the approved internal policies and regulations.

Fourth: Other duties and responsibilities

- Assisting the board of directors in developing and reviewing the company's organizational structure and operating model, including relationships with relevant stakeholders.
- Overseeing the implementation of the employee grievance policy and ensuring its effectiveness and independence.
- Enabling the committee to perform its duties through the following powers:
 - » Requesting necessary information and data from executive departments to study matters within its purview

- » Engaging experts or consultants from within or outside the company after Board approval, documented in the meeting minutes.

Fifth: Committee Meetings

The committee shall meet at least once every six months.

Fourth: Committee Powers

To enable the Remuneration and Nominations Committee to perform its duties, and in accordance with the relevant regulations and bylaws, it shall have the following powers:

- The right to investigate any matter within its jurisdiction and responsibilities, or any subject specifically requested by the Board.
- The right to seek legal and technical advice from any external party or any other independent consulting entity whenever necessary to assist the committee in performing its duties.
- The committee has the right to access all data, information, and records related to company remuneration and compensation, and to review executive succession reports.
- The company shall bear any costs incurred by the committee in carrying out its work

#	Member's name	Position	Number of meeting		Attendance Ratios
			First 2025-02-26	Second 2025-12-16	
1	Taha Mohammed Abdul Wahid Azhari	Chairman	✓	✓	%100
2	Turky Naser Ahmed Al-shaher	Member	✓	✓	%100
3	Sahal Yousef Abdullah Jamal Allail	Member	✓	✓	%100

✓ Attended ✗ Absent — Resigned

Table No. (27) The names of the members of the Remunerations and Nominations Committee and the percentage of attendance at the committee meetings, which totals 2 meetings



C. Risk Management Committee

The tasks of risk management were assigned to the internal audit department, as well as the tasks of the risk committee to the audit committee by the decision of the board of directors in its meeting No. 4 of 2019 on 07/17/2019 based on the recommendation of the audit committee.

First: Forming a risk management committee

By a decision of the company's board of directors, a committee called (the Risk Management Committee) has been formed. Its chairman and the majority of its members are non-executive board members. Its members are required to have an adequate level of knowledge of risk management and financial affairs.

Second: Terms of reference of the Risk Management Committee

The Risk Management Committee shall be responsible for the following:

1. Developing a comprehensive risk management strategy and policies commensurate with the nature and size of the company's activities, verifying their implementation, reviewing, and updating them based on the internal and external variables of the company.
2. Determine and maintain an acceptable level of risks to which the company may be exposed and verify that the company does not exceed it.
3. Verifying the feasibility of the continuation of the company and the successful continuation of its activity, with identifying the risks that threaten its continuation during the next twelve months.
4. Supervising the company's risk management system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring, and following up the risks that the company may be exposed to; this is to determine its shortcomings.
5. Reevaluate the company's ability to withstand risks and its exposure to them periodically (by conducting) stress tests, for example.
6. Preparing detailed reports on exposure to risks and the proposed steps for managing these risks and submitting them to the Board of Directors.
7. Submit recommendations to the Board on issues related to risk management.
8. Ensure the availability of adequate resources and systems for risk management.
9. Review the organizational structure of risk management and make recommendations regarding it prior to its approval by the Board of Directors.
10. Verify the independence of the risk management personnel from the activities that may result in exposing the company to risks.
11. Verify that the risk management staff understands the risks surrounding the company and works to increase awareness of the risk culture.
12. Reviewing the issues raised by the audit committee that may affect the risk management in the company.





Remuneration and allowances of the board committees

		Fixed remuneration (Except for attendance allowance)	Attendance allowance	Total
Audit Committee Members *				
1	Taha Mohammed Abdul Wahid Azhari	50,000	32,000	82,000
2	Meshaal Mohammed Saleh Almogren	50,000	32,000	82,000
3	Ahmed Khader Mohammed Harara	50,000	32,000	82,000
	Total	150,000	96,000	246,000
Remunerations and Nominations Committee Members **				
1	Taha Mohammed Abdul Wahid Azhari	30,000	20,000	50,000
2	Turky Naser Ahmed Alshaher	30,000	20,000	50,000
3	Sahal Yousef Abdullah Jamal Allail	0	4,000	4,000
4	Mahmoud Mohammed Zaki Algamri	0	16,000	16,000
	Total	60,000	60,000	120,000
	Total	210,000	156,000	366,000

Table No. (28) Remunerations and allowances of the board committees during the year 2025

D. executive management

- Senior executives are appointed by a decision of the Board of Directors based on a recommendation from the Remuneration and Nominations Committee, in accordance with the controls and standards specified in this policy.
- The nomination process adheres to the principles of fairness and equal opportunity. Candidate selection is based on competence, qualifications, and practical and professional experience, without any discrimination based on gender, nationality, or other non-professional considerations.
- The nomination and appointment process must be based on clear, objective, and systematic criteria that ensure the candidate's suitability for the position and its essential responsibilities.
- Nomination or appointment is prohibited for any person who has been convicted by a final court judgment of a crime involving moral turpitude or dishonesty, or convicted of violating applicable laws and regulations in the Kingdom.
- Any conflict of interest that may arise for the candidate must be disclosed in accordance with relevant laws and regulations.

First: Criteria for Nomination to Senior Executive Positions

Candidates for senior executive positions must meet the following criteria:

- Possess professional experience appropriate to the nature of the company's business, particularly in areas related to its core activities.
- Must possess a relevant university degree, preferably with advanced degrees or specialized professional certifications.
- Must have strong leadership skills, the ability to make decisions,

manage teams, and achieve operational and strategic goals.

- Must be familiar with the laws, regulations, and bylaws relevant to the company's operations, particularly financial and organizational regulations.
- Must have an excellent professional reputation and ethical conduct, with a clean record free of violations or legal disputes.
- Must demonstrate a commitment to the company's values and corporate culture, and to the principles of governance, integrity, and transparency.

Second: Executive Management Evaluation and Review

- The Remuneration and Nominations Committee conducts an annual review of the effectiveness of nomination criteria and procedures, updating them to align with organizational and legislative changes and the company's needs.
- The Human Resources Department maintains documented records of all nomination, evaluation, interview, and related decisions.
- The CEO submits an annual report to the Remuneration and Nominations Committee on executive stability and future leadership development plans.

Third: Executive Management Remuneration

1. General Framework for Remuneration

- When determining executive management remuneration, the company adheres to the principles of fairness, transparency, and consistency with the company's actual performance and strategic objectives.
- Executive management remuneration policies are approved

by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee and are reviewed periodically to ensure their suitability and alignment with regulatory developments and market requirements.

- The company discloses in its annual Board of Directors report the total benefits, bonuses, and in-kind benefits paid to executive management, in accordance with the requirements of the Capital Market Authority and disclosure standards.

2. Second: Components of Remuneration

The rewards and benefits granted by the company to senior executives include the following:

• Basic Salary:

This is determined based on academic qualifications, professional experience, executive responsibilities, and salary levels in the local and regional labor market

• Fixed Allowances and Benefits:

These include, but are not limited to, housing allowance, transportation allowance, and medical insurance for the executive management and their family members, in accordance with the company's approved policy

• Short-term (variable) annual bonus:

- » The bonus percentage is determined based on the company's financial and operational performance, the extent to which the company's approved annual objectives are achieved, and the key performance indicators (KPIs) for each executive.
- » The bonus is paid after the annual financial results are approved by the Board of Directors.

• Long-term incentive programs (if applicable):

- » These programs aim to align the interests of executives with the long-term interests of shareholders through rewards linked to sustained performance and the growth of the company's market value.
- » These incentives may take the form of stock grants, deferred bonuses, or multi-year performance plans.
- » Their terms and details are determined by a resolution of the Board of Directors based on the recommendation of the Remuneration and Nominations Committee.

• Exceptional bonuses:

The Board of Directors may, based on the recommendation of the Remuneration and Nominations Committee, award exceptional bonuses to executives for achieving strategic milestones or impactful projects, provided that these are justified and documented.

• Additional Benefits:

This includes any other benefits approved by the company, such as enrollment in leadership training programs or reimbursement for relocation, accommodation, or education expenses for executives' children, as determined by the Board of Directors.

3. Third: Rewards and Payment Regulations

- The Rewards and Nominations Committee bases its recommendations for rewards on the company's financial and operational performance reports and the annual performance evaluation of each executive.
- Rewards must be commensurate with the responsibilities of the position, the nature of the associated risks, and the company's actual financial and operational performance.
- The company's general rewards must be determined in a manner that does not infringe upon shareholders' rights or compromise the company's ability to meet its obligations.
- Rewards are disbursed only after verifying that the conditions and targeted results have been achieved, as per the approved performance evaluation.
- If, after the reward has been disbursed, it is found that the performance data upon which it was based is inaccurate or misleading, the Board of Directors may – based on the recommendation of the Rewards and Nominations Committee – recover all or part of the disbursed rewards. • All rewards shall comply with the disclosure and transparency provisions stipulated in the Corporate Governance Regulations and the regulations of the Capital Market Authority



1. Jobs, qualifications, and experiences of senior executives

#	Member's name	Current Position	Previous Position	Qualifications	Experiences
1	George Abdulkarim George Moussa	Chief Executive Officer	»General Manager of Sales at Zahrat Al-Waha For Trading Company »General Manager of Sales at Al-Othman Plastic Company - Takween	»Bachelor of Marketing and Sales Lebanese American University Lebanon	»Board of Directors member at Zahrat Al-Waha For Trading Company »Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company
2	Mahmoud Mohammed Zaki Algamri	Chief Financial Officer at Zahrat Al-Waha For Trading Company	»Finance Manager at Zahrat Al Waha For Trading Company »Accounting and Costing Manager at Union Technology Union Air Group - Egypt Deputy »Accounting Manager at Union Technology Union Air Group – Egypt »Accounting Manager at Khalid Al Musa Furniture Company - Saudi Arabia	»PHD in Business Administration - European International University - France »PHD in Business Administration - American International University - USA »Master of Business Administration from the French University EIU »Master of Business Administration from AITU University in the United States »Bachelor of Commerce Majoring in Accounting - Egypt »Diploma in Business Administration - Egypt »Diploma in Project Management Specialist Program »APICS CPIM Basics Diploma in Supply and Logistics	»Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company »Board of Directors Secretary at Zahrat Al-Waha For Trading Company
3	Rakan Ahmed Hammoud Ibrahim Altheyab	Supply Chain Director	-	Training courses in Supply Chain	-
4	Abdul Majeed Fahd Al-Bazai	Production and Maintenance Director	Production and Maintenance Manager, Obeikan Plastic Industries Company	Bachelor of Technical Engineering	-
5	Ahmed Hassan Ahmed Ali	Quality Control Director	Quality Control Director at Takween Advanced Industries Company	Bachelor of Chemistry Diploma in Analytical Chemistry	Board of Directors member at Zahrat Al-Waha For Trading Company
6	Yasser Ghannam Arafat Al-Khatib	Sales Director	»Sales supervisor at Packaging Solutions Factory »Sales supervisor at Installment Program »Sales Coordinator at Coptra Graphic Company »Sales Coordinator at Nawras Health Water Company	Bachelor of Information Technology specializing in computer information systems	-
7	Abdul Mohsen Nasser Salem Al-Gremel	Human Resources Director	»Administrative Director at Hana Food Industries Company »Executive Secretary at Hana Food Industries Company	Training courses in HR	Secretary of the Remuneration and Nomination Committee, Zahrat Al-Waha For Trading Company
8	Faisal Saad bin Abdullah Al-Jasser	Information Technology Director	IT engineer at Zahrat Al-Waha for Trading Company	Bachelor of Computer Science - Information Systems Specialist	-

Table No. (29) jobs, qualifications, and experiences of senior executives



Senior Executives

Jobs, qualifications, and experiences of senior executives

George Abdulkarim George Moussa

Board Member

Chief Executive Officer of Zahrat Al-Waha For Trading Company

» Current Position

- Chief Executive Officer of Zahrat Al-Waha For Trading Company

» Previous Position

- General Manager of Sales at Zahrat Al-Waha For Trading Company
- General Manager of Sales at Al-Othman Plastic Company – Takween

» Qualifications

- Bachelor of Marketing and Sales Lebanese American University Lebanon

» Experiences

- Board of Directors member at Zahrat Al-Waha For Trading Company
- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company



Senior Executives

Jobs, qualifications, and experiences of senior executives

Mahmoud Mohammed Zaki Algamri

Chief Financial Officer at Zahrat Al-Waha For Trading Company

» Current Position

- Chief Financial Officer at Zahrat Al-Waha For Trading Company

» Previous Position

- Finance Manager at Zahrat Al Waha For Trading Company
- Accounting and Costing Manager at Union Technology Union Air Group - Egypt Deputy
- Accounting Manager at Union Technology Union Air Group - Egypt
- Accounting Manager at Khalid Al Musa Furniture Company - Saudi Arabia

» Qualifications

- PHD in Business Administration - European International University - France
- PHD in Business Administration - American International University - USA
- Master of Business Administration from the French University EIU
- Master of Business Administration from AITU University in the United States
- Bachelor of Commerce Majoring in Accounting - Egypt
- Diploma in Business Administration - Egypt
- Diploma in Project Management Specialist Program
- APICS CPIM Basics Diploma in Supply and Logistics

» Experiences

- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company
- Board of Directors Secretary at Zahrat Al-Waha For Trading Company



Senior Executives

Jobs, qualifications, and experiences of senior executives

Rakan Ahmed Hammoud Ibrahim Altheyab

Supply Chain Director

» *Current Position*

- Supply Chain Director

» *Previous Position*

- -

» *Qualifications*

- Training courses in Supply Chain

» *Experiences*

- -



Senior Executives

Jobs, qualifications, and experiences of senior executives

Abdul Majeed Fahd Al-Bazai

Production and Maintenance Director

» *Current Position*

- Production and Maintenance Director

» *Previous Position*

- Production and Maintenance Manager, Obeikan Plastic Industries Company

» *Qualifications*

- Bachelor of Technical Engineering

» *Experiences*

- -



Senior Executives

Jobs, qualifications, and experiences of senior executives

Ahmed Hassan Ahmed Ali

Quality Control Director

» *Current Position*

- Quality Control Director

» *Previous Position*

- Quality Control Director at Takween Advanced Industries Company

» *Qualifications*

- Bachelor of Chemistry
- Diploma in Analytical Chemistry

» *Experiences*

- Board of Directors member at Zahrat Al-Waha For Trading Company



Senior Executives

Jobs, qualifications, and experiences of senior executives

Abdul Mohsen Nasser Salem Al-Gremel

Human Resources Director

» *Current Position*

- Human Resources Director

» *Previous Position*

- Administrative Director at Hana Food Industries Company
- Executive Secretary at Hana Food Industries Company

» *Qualifications*

- Training courses in HR

» *Experiences*

- -



Senior Executives

Jobs, qualifications, and experiences of senior executives

Yasser Ghannam Arafat Al-Khatib

Sales Director

» *Current Position*

- Sales Director

» *Previous Position*

- Sales supervisor at Packaging Solutions Factory
- Sales supervisor at Installment Program
- Sales Coordinator at Coptra Graphic Company
- Sales Coordinator at Nawras Health Water Company

» *Qualifications*

- Bachelor of Information Technology specializing in computer information systems

» *Experiences*

- -



Senior Executives

Jobs, qualifications, and experiences of senior executives

Faisal Saad bin Abdullah Al-Jasser

Information Technology Director

» *Current Position*

- Information Technology Director

» *Previous Position*

- IT engineer at Zahrat Al-Waha for Trading Company

» *Qualifications*

- Bachelor of Computer Science - Information Systems Specialist

» *Experiences*

- -



2. Bonuses and compensation paid to senior executives

The total of what was disbursed to senior executive's SAR 3,222,343 for the year 2025, including periodic and annual salaries, allowances, travel, and subsistence allowances, as of December 31, 2025, as follows

Fixed remuneration				Variable remuneration						End of Services remuneration	Total remuneration for the executives of the Board (if any)	Total
Salaries	Allowances	Advantages	Total	Periodic remuneration	Dividends	Short-term incentive plans	Long-term incentive plans	Bonus shares (value is entered)	Total			
1,516,379	479,642	907,000	2,903,021	319,322	0	0	0	0	319,322	1,546,874	0	4,769,217

Table No. (30) Remunerations of the top five executives, including the CEO and CFO

3. Ownership of senior executives

Ownership of senior executives and the ratio to total shares in the company at the end of 2025 compared to their ownership at the beginning of 2025:

#	Senior Executives <s name	shares owned by the Senior Executives			
		Number of shares at Beginning of the year 2025	Ratio to total shares	Number of shares at Ending of the year 2025	Ratio to total shares
1	George Abdulkarim George Moussa	10	0.00004%	100	0.00004%
2	Mahmoud Mohammed Zaki Algamri	--	--	--	--
3	Rakan Ahmed Hammoud Ibrahim Al-theyab	--	--	--	--
4	Abdul Majeed Fahd Al-Bazai	--	--	--	--
5	Ahmed Hassan Ahmed Ali	--	--	--	--
6	Yasser Ghannam Arafat Al-Khatib	--	--	--	--
7	Abdul Mohsen Nasser Salem Al-Gremel	--	--	--	--
8	Faisal Saad bin Abdullah Al-Jasser	--	--	--	--

Table No. (31) Ownership of Senior Executives

Disclosure: According to the declarations submitted by the senior executives, there are no shares owned by any of the wives or children of any of the senior executives during the year 2025





The company's obligations to the governance regulations

#	Chapter/ Article number	Status	Chapter/ Article paragraph	Reasons of Non-Appl
1	Article 67 Article 68 Article 69	Indicative	Formation of a risk management committee Terms of reference for the risk management committee Risk Management Committee meetings	The company is currently implementing the tasks and authority related to this committee through the audit committee
2	Article 92	Indicative	Formation of a corporate governance committee	The company is currently implementing the tasks and authority related to this committee through the Board of Directors and its subcommittees, by implementing the tasks entrusted to it and achieving its goals

Table No. (32) The Company's obligations to the governance regulations

Refer to the following:

- No external entity has evaluated the performance of the Board of Directors and its committees; evaluation is conducted internally using various assessment methods.
- The company consistently strives to meet and implement the requirements of the Corporate Governance Regulations, including policies and procedures related to disclosure and transparency.
- There are no penalties, sanctions, precautionary measures, or restrictions imposed on the company by the Capital Market Authority or any other supervisory, regulatory, or judicial body.
- The company has a dedicated Internal Audit and Risk Management Department.
- There is no conflict between the Audit Committee's recommendations and the Board of Directors' decisions regarding the appointment, dismissal, and remuneration of the company's auditor, the evaluation of their performance, or the appointment of the internal auditor.
- The company prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) and there are no discrepancies between these statements and the accounting standards adopted by the Saudi Organization for Certified Public Accountants.
- The financial statements were prepared in accordance with the relevant requirements of the Companies Law and the company's Articles of Association regarding the preparation and publication of financial statements.
- The auditor's report did not contain any reservations on the annual financial statements.
- The Board of Directors did not recommend a change of auditors before the expiry of their appointed term.
- The company did not receive a request from the auditors to convene the General Assembly during the fiscal year ending, and no such meeting was held.
- The company did not receive a request from shareholders owning 5% or more of the company's capital to convene the General Assembly during the year 2025.
- The company did not extend any cash loan of any kind to any of its Board members, nor did it guarantee any loan contracted by any of its Board members with a third party.
- No individual has any interest in the voting shares.
- The company did not issue or grant any convertible debt instruments, contractual securities, subscription notes, or similar rights during the fiscal year.
- The company did not issue or grant any convertible or subscription rights under convertible debt instruments, contractual securities, subscription notes, or similar rights.
- The company did not redeem, purchase, or cancel any redeemable debt instruments.
- There are no arrangements or agreements under which any member of the Board of Directors or senior executive has waived any bonuses.
- There are no arrangements or agreements under which any shareholder has waived any rights to profits.
- No investments or reserves have been established for the benefit of the company's employees.
- The company does not hold any treasury shares





Shareholders' rights and the General Assembly

Shareholders' rights

Driven by its commitment to transparency, accountability, and fairness in its dealings with all shareholders, and in affirmation of its adherence to the highest corporate governance standards to ensure the protection of shareholders' interests and the long-term growth of their investments, Zahrat Al Waha Trading Company has adopted a Shareholders' Rights Protection Policy. This policy serves as a comprehensive regulatory framework for defining and clarifying shareholders' rights, mechanisms for exercising them, and their protection. The company believes that protecting shareholders' rights is a cornerstone of its sustainability and a key factor in enhancing investor confidence. Therefore, the company strives to guarantee equal treatment for all shareholders without discrimination, provide accurate and transparent information in a timely manner, and empower shareholders to actively participate in key company decisions. These decisions include the election of the Board of Directors, approval of financial reports, profit distribution, amendment of the company's Articles of Association, and other decisions that impact the company's future and stability.

First: Policy Objective

The mission is to protect shareholders' labor rights and ensure the fair and equitable treatment of various legal, financial, and transparency issues by achieving the following:

- Ensuring fairness and equality among all shareholders without discrimination in rights or obligations.
- Comprehensive oversight of transparency by guaranteeing timely access to essential information and accurate financial and administrative data.
- This ensures that shareholders have a genuine say through collaborative participation in the General Assembly.
- Protecting shareholders' financial rights by guaranteeing their fair share of distributed profits and company assets upon liquidation.
- Enhancing accountability and oversight through various mechanisms for holding the Board of Directors and Executive Management accountable for any breach of their statutory duties or negligence in their performance.
- Establishing trust and transparency in dealings between the company and shareholders through adherence to the company's application systems.
- Protecting against exploitation by limiting any practices that could diminish or negatively impact shareholders' rights.
- Ensuring fair access to information, including access to information about the company's references, communications, and decisions, in a specific manner and through a designated channel.

Second: Rights associated with shares

The company is committed to ensuring that all participants can properly exercise their rights fairly and that these rights are not altered or influenced by the company's management, board members, or their principal officers. The company is committed to the following rights for shareholders:

- Receiving their share of the net proceeds distributed in cash or issued in their favor.
- Receiving their share of the company's assets upon liquidation.
- Attending general or special assemblies, participating in their

deliberations, and voting.

- Acting on their registration and compliance with the company's regulations and executive bylaws.
- Accessing the company's books and documents, including its financial statements, projections, and operational strategies, provided that this does not conflict with the company's interests and is in accordance with the financial market's regulations and executive bylaws.
- Monitoring the company's performance and the actions of the board of directors.
- Holding board members accountable for repeated claims of liability, challenging the validity of their general assemblies, and the conditions they stipulate in the articles of association of the parent company's subsidiaries.
- Subscribing to new shares that differ in percentages, unless the general assembly ceases its public operations entirely – if stipulated in the company's articles of association – as per Article 169 of the Companies Law.
- Registering their trademark in the company's Taitak register.
- Requesting a copy of the company's articles of association for publication on its websites.
- Nominating and electing board members.

Third: Shareholders' Access to Information

- The company is committed to guaranteeing everyone's right to access accurate, complete, clear, and non-misleading information in a timely manner, enabling them to exercise their rights and make sound investment decisions. This commitment is one of the pillars of good governance adopted by the company.
- The board of directors is committed to providing shareholders with complete, accurate, and up-to-date information through specific and accessible means, updating it in accordance with the requirements of relevant regulatory bodies.
- The company will participate in the process of publishing quarterly and annual financial statements and data on the Saudi Stock Exchange (Tadawul) website and the company's website, including information on the capital structure and any arrangements or entities that may change ownership or exercise any of its functions.
- The company is committed to the highest standards of communication and transparency, including the use of modern technology, and ensuring equal and equitable access to information for all.
- Shareholders are required to register on the company's disclosure register, providing information that does not conflict with confidentiality claims or the company's interests.
- The company obtains an updated copy of the company's various registers from the Saudi Securities Depository Center (Edaa) and participates in registrations only with the names, nationalities, identification numbers, and number of shares they own.

Fourth: Subscription Opportunity

Shareholders may participate in the company's capital increase subscription in proportion to their existing shareholding within (15) days of the subscription notification date, unless the company's Articles of Association stipulate otherwise.

Fifth: Communication with Shareholders

- The Board of Directors is committed to fostering effective communication channels with shareholders and building a relationship based on a shared understanding of the company's strategic objectives and long-term interests.
- The Chairman of the Board and the Chief Executive Officer are responsible for informing Board members of shareholders' opinions and comments and discussing them during meetings.
- No shareholder may interfere in the work of the Board of Directors or the executive management except through the approved legal channels and in accordance with the powers granted by the General Assembly.
- The company appoints an Investor Relations Officer who manages communication with shareholders and investors, ensuring they are provided with accurate information and their inquiries are answered in accordance with the regulations and instructions issued by the Capital Market Authority.

Dividend Distribution Policy

The Dividend Distribution Policy aims to define the general principles upon which the Board of Directors bases its proposals for dividend distributions, whether cash or stock dividends, ensuring the company's compliance with applicable laws and regulations and achieving the highest levels of fairness, transparency, and financial consistency in managing and distributing profits. The dividend policy of Zahrat Al Waha Trading Company – a Saudi public joint-stock company – aims to achieve a set of strategic, organizational, and financial objectives, as follows:

- To enhance transparency and fairness among shareholders by establishing clear and publicly announced dividend distribution criteria, ensuring equal treatment for all shareholders without discrimination or bias.
- To achieve a balance between dividend distribution and sustainable growth by ensuring the fair distribution of profits to shareholders, while retaining an appropriate portion to support the company's financial position, finance its future projects, and achieve sustainable growth.
- To align the dividend policy with the company's financial performance by linking dividend distribution decisions to financial and operational performance results, reflecting the company's strength, profitability, and ability to generate cash flow.
- To comply with relevant laws and regulations by ensuring the dividend distribution policy aligns with the provisions of the Companies Law, the Corporate Governance Regulations, the regulations issued by the Capital Market Authority, and the company's Articles of Association.
- To enhance investor and shareholder confidence by adopting a clear and stable dividend distribution policy that contributes to building trust in the company's financial practices and supports its reputation in the financial market. • Supporting the sustainability of the company's financial position through sound earnings management that ensures enhanced liquidity, improved working capital efficiency, and maintaining an adequate level of reserves to meet potential obligations and risks.
- Achieving maximum added value for shareholders by delivering a rewarding and sustainable return on their investments, in line with the company's strategy and long-term objectives.

First: General Principles of the Dividend Distribution Policy

The dividend distribution at Zahrat Al Waha Trading Company is based on a comprehensive evaluation that considers the interests of the company and its shareholders, as well as the sustainability of its financial growth. When proposing dividend distribution, the Board of Directors relies on a set of fundamental factors and criteria, the most important of which are:

- The company's financial position and its financial strength

and available liquidity.

- The results of operating activities and the stability of profits achieved during the fiscal year.
- Short and long-term cash flow needs, taking into account future obligations and strategic expansion plans and projects.
- Regulatory and financial obligations and potential restrictions that may affect the possibility or size of the distribution.
- Covering any losses incurred in previous fiscal years, after setting aside the required provisions and statutory reserves in accordance with the provisions of the Companies Law and the Governance Regulations.

Second: Policy Flexibility

The Board of Directors reviews and evaluates the dividend distribution policy annually and, based on an assessment of the company's financial and operational conditions, may recommend adjusting the distribution size, either increasing or decreasing it, as deemed necessary for the company's best interests, market conditions, the company's Articles of Association, and applicable regulations in the Kingdom of Saudi Arabia.

Third: Annual Dividend Distribution Mechanism

The company's annual net profits are distributed as follows:

■ Statutory Reserve:

- » 10% of net profits are set aside to form the company's statutory reserve.
- » The Ordinary General Assembly may decide to discontinue this allocation once the statutory reserve reaches 30% of the paid-up capital.

■ Contractual Reserve:

The Ordinary General Assembly, upon the Board of Directors' proposal, may set aside a percentage of net profits to form a contractual reserve and allocate it for a specific purpose or purposes, as determined by the General Assembly.

■ Other Reserves:

- » The Ordinary General Assembly may decide to establish other reserves, to the extent that serves the company's interests or ensures the distribution of consistent profits to shareholders to the greatest extent possible.
- » The Assembly may also allocate amounts from net profits to establish or support social institutions, employee funds, or for social responsibility purposes.

■ Profit Distribution to Shareholders:

The Board of Directors may recommend distributing a certain percentage of the remaining profits to shareholders. The company is entitled to distribute quarterly and semi-annual profits after complying with regulatory requirements.

Fourth: Interim Profits

The Board of Directors may, based on an annual mandate issued by the Ordinary General Assembly, decide to distribute interim profits to shareholders on a semi-annual or quarterly basis, in accordance with applicable regulations and instructions. This must be clearly disclosed in the financial statements and the Board of Directors' report.

Fifth: Entitlement to Profits

Without prejudice to regulatory requirements and the company's Articles of Association, the dividend distribution policy is subject to the following provisions:

- Shareholders have the right to receive their share of the net profits

distributed in cash or through the issuance of shares.

- The shareholder is entitled to his share of the profits according to the resolution of the General Assembly issued regarding the distribution of profits to shareholders, or the resolution of the Board of Directors ordering the distribution of interim profits. The resolution specifies the entitlement date and the distribution date.

Dividend entitlement is for shareholders registered in the shareholders' register at the close of business on the entitlement date.

Sixth: Distribution Time

The Board of Directors must implement the General Assembly's resolution regarding the distribution of dividends to registered shareholders within 15 business days from the entitlement date of these dividends as specified in the General Assembly's resolution, or in the Board of Directors' resolution authorizing the distribution of interim dividends.

Seventh: Interim Distributions

The company may distribute interim dividends to its shareholders semi-annually or quarterly, after fulfilling the following requirements:

- The Ordinary General Assembly authorizes the Board to distribute interim dividends by virtue of a resolution renewed annually.
- The company must be profitable and consistent.
- The company must have reasonable liquidity and be able to reasonably predict its profit levels.
- The company must have sufficient distributable profits, according to its latest audited financial statements, to cover the proposed dividends, after deducting any dividends distributed after the date of these financial statements.

Dividends distributed during 2025

The number of company requests for the shareholder register	Request Date	Request Reasons
1	26-01-2025	Corporate Procedures
2	28-05-2025	The General Assembly
3	21-07-2025	Corporate Procedures
4	05-08-2025	The General Assembly
5	16-11-2025	The General Assembly
6	31-12-2025	Corporate Procedures

Table No. (33) The Company's requests to the shareholder register

Actions taken by the Board of Directors to inform its members of shareholders' proposals and comments about the company and its performance

No suggestions or remarks were received from the shareholders to direct the company's management during the year 2025, while all the comments and suggestions were discussed in the General Assembly meetings by the shareholders and members of the Board of Directors during the shareholders' invitation to do so during the meetings

The Extraordinary General Assembly, in its first meeting of 2025 held on June 4, 2025 (corresponding to December 8, 1446 AH), approved, based on the recommendation of the Board of Directors in its first meeting of 2025 held on March 19, 2025, the distribution of annual dividends for the year 2024 amounting to SAR 10,125,000, at a rate of forty-five halalas (SAR 0.45) per share, representing 4.5% of the share's nominal value. The company announced the Board of Directors' recommendation to distribute annual dividends for the year 2024 on the Tadawul website on March 20, 2025 (corresponding to September 20, 1446 AH). The company set the dividend distribution date as June 19, 2025 (corresponding to December 23, 1446 AH) to be deposited into the bank accounts linked to the investment portfolios. For eligible shareholders, the distribution was assigned to the depository center and the entire amount of profits was distributed in the amount of 10,125,000 Saudi Riyals

General Assembly

The shareholders' general assemblies are concerned with all matters related to the company, and the general assembly, held in accordance with the statutory procedures, represents all shareholders in exercising their functions related to the company and performs its role in accordance with the provisions of the companies' law, its executive regulations, and the company's articles of association.

#	Member's name	Register to attend the General Assembly Meeting 2025/06/04	Register to attend the General Assembly Meeting 2025/08/10	Register to attend the General Assembly Meeting 2025/11/18
1	Ahmed Hammoud Ibrahim Altheyab	✓	✓	✓
2	Taha Mohammed Abdul Wa-hid Azhari	✓	✓	✓
3	George Abdulkarim George Moussa	✓	✓	✓
4	Meshaal Mohammed Saleh Almogren	✓	✓	✓
5	Sahal Yousef Abdullah Jamal Allail	✓	✓	✓
6	Najeeb Abdullah Hussein	✓	✓	✓

✓ Attended ✗ Absent ○ Resigned

Table No. (34) the attendance record of the members of the Board of Directors to the General Assembly Meeting

Disclosure policies and procedures

The company is fully committed to sharing with the public and the Capital Market Authority without delay any innovations within the company's activities or those of its subsidiaries that are not materially significant to the public and could materially affect the company's assets, liabilities, financial position, operating results, or overall business direction, or could potentially change the company's share price.

This includes, but is not limited to, the following:

First: Key transactions and deals

- Any purchase, sale, mortgage, or lease transaction with a value equal to or exceeding 10% of the company's assets as recorded in the initial audited financial statements or the annual audited financial statements, whichever is later.
- Any debt outside the company's core business that is due or exceeds 10% of the company's net assets as recorded in the initial audited financial statements or the annual audited financial statements, whichever is later.
- Any amount equal to or greater than 10% of the company's net assets, as determined by the audited interim financial statements or the audited annual financial statements, whichever is more recent.

Second: Operational or environmental changes

- Any significant change in the production or business environment, including the availability or accessibility of potential materials, or any other significant impact.
- Any connection in any of the parent companies or their subsidiaries that is equal to or greater than 5% of the company's total revenue as of the date of the audited annual financial statements.

Third: Changes in management and governance

- Change in the company's Chief Executive Officer.
- Any change in the composition of the Board of Directors.
- Any court judgment against the Board of Directors or any of its members if the subject matter of the judgment relates to the Board or the member's judgeship within the company.

Fourth: Disputes or lawsuits

- Any dispute, lawsuit, arbitration, or mediation that is equal to or greater than 10% of the company's net assets, as determined by the audited interim financial statements or the audited annual financial statements, whichever is more recent.

Fifth: Fundamental financial changes

- An increase or decrease in the company's net assets equal to or exceeding 10% of the company's audited preliminary financial statements or annual audit reports, whichever is more recent.
- An increase or decrease in the company's gross profit equal to or exceeding 10% of the company's most recent annual audit financial reports.

Sixth: Contracts and Revenue

- Entering into any contract whose revenue is equal to or exceeds 5% of the company's total revenue according to the most recent audited annual financial reports, or terminating a non-harmful contract.
- Any transaction or arrangement between the company and a related party, or any joint venture, joint venture, or financing provided to a related party, if the value of the transaction or arrangement is equal to or exceeds 1% of the company's total profit according to the most recent audited annual financial reports.

Seventh: Publication of the Audit Committee Report

- The report must include the Audit Committee's statement of its jurisdiction and responsibilities as outlined in the regulations governing all companies issued by the Capital Market Authority, and its opinion on the extent of its jurisdiction under the financial oversight and multiple control mechanisms of the company.
- The Board of Directors must deposit a sufficient copy of the Audit Committee's report with the Chairman's office and publish it on the company's website and the market's website upon the announcement of events, so that the General Assembly members can obtain a copy. The contract summary concludes with the General Assembly agreement.

Eighth: Publication ban

A: New Confidentiality of Company Information

- The members of the Board of Directors, its committees, and the executive management are obligated to maintain the confidentiality of non-commercial information pertaining to the company or to parties dealing with us, without prejudice to the provisions of the Market Law and its implementing regulations.
- The company shall take all necessary measures to protect public spaces and maintain the confidentiality of information handled by it, and shall establish effective arrangements for the payment of any third party that obtains information pertaining to the company or its

dealings with us, ensuring that such information remains confidential and is not used or disclosed except as required by law.

- Confidential information includes, but is not limited to, the following:
 - » Undisclosed information that could be exploited by competitors or whose disclosure could harm the company, their business, or their competitiveness.
 - » Information related to the company's forecasts, innovations, or sales or marketing programs.
 - » Information on new research, whether scientific or strategic.
 - » Information held by the company's clients, suppliers, or joint venture partners, which the company is obligated to keep confidential.
 - » Information related to internal discussions and deliberations among employees, managers, and board members.

This excludes information that must be disclosed under the Capital Market Law and its implementing regulations.

B: Information Affecting Share Price

In accordance with the provisions of the Capital Market Law and the Control Regulations issued by the Capital Market Authority, all persons and the company are bound by the following provisions:

- The Chairman of the Board, members of the Board of Directors, its public committees, the executive management, all employees of its subsidiaries, external auditors, and consultants are prohibited from disclosing to any person any non-public information that could affect internal share prices or market participation, and which might require that person to trade the company's shares based on that information.
- It is prohibited for any person not privy to inside information to disclose, directly or indirectly, information obtained from such a person, to any other party who knows or is presumed to know that the individual trading in the shares prior to the disclosure of that inside information.
- It is prohibited for any person within the company to do, directly or indirectly, the following:
 - » Republish or disseminate information A statement that is incorrect regarding a material fact.
 - » Promoting an opinion or information with the intent to influence the share price or value or to manipulate the market in a manipulative manner.
 - » Promoting a statement issued by the same person or any other party if its purpose is to influence the share price or unfairly restrict free competition.

Conflict of Interest on the Board of Directors

Related parties must act in accordance with the provisions of the Capital Market Law and this policy and avoid situations that lead to a conflict of interest. A conflict of interest occurs when a personal interest in any way interferes with the interests of the company or any of its subsidiaries. This conflict arises when it is proven that any related party has engaged in or followed any of the following matters, including but not limited to :

First: For members of the Board of Directors and members of its subcommittees:

- Having a direct or indirect interest in a contract, transaction, or project with the company.
- Participating in deliberations or voting on a resolution in which they have a personal or indirect interest.
- Exploiting their position on the Board to obtain personal benefits or

advantages.

- Receiving rewards, gifts, or benefits from individuals or entities dealing with the company that may affect their impartiality.
- Exploiting insider information or investment opportunities offered to the company for personal gain.
- Holding a position on the company's board of directors concurrently with a position on the board of a competitor or engaging in a competing business.

Second: For executive management and senior executives:

- Entering into financial or commercial transactions with the company or its subsidiaries in a manner that generates personal gain.
- Exploiting their official authority to award contracts or agreements to relatives or related parties.
- Accepting gifts or services from suppliers or clients that exceed reasonable limits or are intended to influence decisions.
- Working in a position or providing consultancy services to a competitor, supplier, or major client of the company.
- Exploiting company assets (vehicles, equipment, data, systems, etc.) for personal purposes.

Third: For employees:

- Holding a position within the company that affects their performance or conflicts with the company's interests.
- Entering into financial or investment relationships with a major supplier or client. • Awarding purchases or contracts to a relative or related party without disclosing this information.
- Obtaining personal privileges or benefits through their official position.

Fourth: Regarding related parties:

- Contracts or transactions with related parties (such as relatives of board members or their private companies) without disclosure or obtaining regulatory approvals.
- Providing services or products to the company through companies owned or managed by a board member or their relatives.
- Entering into joint ventures or investments with the company without transparency or prior disclosure.

Fourth: Conflicts of interest related to major shareholders

A: Transaction scope:

All transactions and contracts with major shareholders and their relatives who own 5% or more of the company's shares, directly or indirectly, or who hold a controlling interest in any of its subsidiaries (within its group), are subject to the same conditions that govern transactions with third parties.

B: Disclosure:

All transactions with major shareholders and their relatives who own 5% or more of the company's shares, directly or indirectly, or who hold a controlling interest in any of its subsidiaries (within its group), must be disclosed in accordance with applicable regulations and laws.

C: Transparency and Fairness:

These controls aim to ensure fairness and equality among all shareholders and prevent any exploitation of the position of major shareholders or of undisclosed information to achieve personal gain or an unfair advantage at the expense of the company or its shareholders.

D: Major Shareholders' Obligations:

- Obligation to prioritize the interests of the company and all shareholders over their own personal interests when exercising voting rights or influencing decisions of the General Assembly.
- Disclosure to the Board of Directors and the General Assembly of any actual or potential conflict of interest related to their dealings or transactions with the company or its subsidiaries.
- Refraining from exerting any influence or pressure on the Board of Directors or the executive management to make decisions or enter into transactions or arrangements that would personally benefit them at the expense of the company or its other shareholders.
- Commitment to full transparency in dealings with the company, and disclosure of any financial or commercial transactions that exceed regulatory limits.

E: Prohibitions for Major Shareholders:

- Entering into transactions or contracts with the company without obtaining the approval of the Board of Directors and the General Assembly (as required by the bylaws).
- Exploiting their position as influential shareholders to obtain advantages or preferential terms not granted to other shareholders.
- Voting in the General Assembly on resolutions related to contracts or transactions in which they have a direct or indirect interest.
- Exploiting insider or undisclosed information about the company for personal gain.

The interests of the members of the Board of Directors of the company

#	Description	Type of relationship	Type of contract	Contract amount	Contract terms	Contract duration
1	Transactions deals between the company and Hana Food Industries Co.	The Chairman of the Board of Directors, Mr. Ahmed Hammoud Ibrahim Altheyab, holds the position of a member of the Board of Directors and Managing Director of Hana Food Industries Company and one of the shareholders of Hana Food Industries Company.	Selling finished goods in the field of small plastic cutters (preforms), plastic coverings for bottles in different sizes and weights, printed labels, packaging materials (shrink wrap and stretch film), and buying and selling raw materials, packaging, filling and wrapping.	SAR 40,000,000 Million forty million Saudi riyals (VAT excluded)	Without discrimination or preferential terms	Year 2026
2	Thabat Al Qimma Logistics Services Company	The Chairman of the Board, Mr. Ahmed Hamoud Ibrahim Altheyab, also serves as the General Manager and owner of Thabat Al-Qimmah Transportation Company.	Purchasing logistics and land transport services	SAR 3,000,000 Million Three million Saudi riyals (VAT excluded)	Without discrimination or preferential terms	Year 2026

Table No. (35) List of interests of some members of the Board of Directors in the company regarding the business and contracts that will be completed during the year 2026 AD





The most important strategic decisions of the Board of Directors during the year 2025

The most important strategic decisions of the Board of Directors during the year 2025

- The Board of Directors approved the financial statements and supplementary notes for the fiscal year ending December 31, 2024, and recommended their presentation to the General Assembly for review and discussion.
- The Board of Directors approved the Board of Directors' report for the fiscal year ending December 31, 2024, and recommended its presentation to the General Assembly for review and discussion.
- The Board of Directors approved the Sustainability Report for the fiscal year ending December 31, 2024, and recommended its publication on the company's website and its page on the Tadawul website.
- The Board of Directors approved the Audit Committee's report for the fiscal year ending December 31, 2024.
- The Board of Directors approved the External Auditor's report for the fiscal year ending December 31, 2024, and recommended its presentation to the General Assembly for approval.
- The Board of Directors approved all debit and credit transactions conducted with related parties of Hana Food Industries Company during the fiscal year ending December 31, 2024, and recommended their submission to the General Assembly for approval.
- The Board of Directors recommended submitting the Audit Committee's recommendation to the General Assembly to appoint the company's external auditor from among the candidates licensed to operate in the Kingdom of Saudi Arabia to examine, review, and audit the financial statements for the second, third, and annual quarters of fiscal year 2025, and the first quarter of fiscal year 2025, and to determine their fees.
- The Board of Directors approved the distribution of SAR 10,125,000, equivalent to 45 halalas per share, for the fiscal year 2024, and recommended its approval to the General Assembly.
- The Board of Directors approved the payment of bonuses and attendance allowances for Board and committee meetings and recommended to the General Assembly the approval of the payment of bonuses to non-executive Board members for the fiscal year 2024.
- The Board of Directors approved amending Article Twenty-Four of the Company's Articles of Association (Company Management) and recommended it to the General Assembly for approval.

On June 2025 ,29 (corresponding to Muharram 1447 ,3 AH)

- The Board of Directors approved, by circulation, the amendment to Article 4 of the Articles of Association (Company Objectives) and recommended it to the General Assembly for approval.

On August 2025 ,19 (corresponding to Safar 1447 ,25 AH)

The Board of Directors approved, by circulation, the stock split as follows:

- Approval of the proposal to split the nominal value of the share from ten (10) Saudi Riyals to one (1) Saudi Riyal per share, so that the number of shares of the company becomes 225,000,000 shares instead of 22,500,000 shares, while the share capital remains unchanged at 225,000,000 Saudi Riyals.
- Recommendation to the Extraordinary General Assembly for approval.
- Completion of all necessary procedures with the competent authorities.
- Amendment of the relevant articles of the company's Articles of Association to reflect the new number of shares after the split.

On September 2025 ,10 (corresponding to Rabi' al-Awwal 1447 ,18 AH)

- The Board of Directors approved, by circulation, the updated Conflict of Interest Policy based on the recommendation of the Audit Committee.

On October 2025 ,27 (corresponding to Jumada al-Ula 1447 ,5 AH)

- The Board of Directors approved the Audit Committee's recommendation to amend the Audit Committee's Rules of Procedure and recommended it to the General Assembly for approval.
- The Board of Directors approved the amendment to the Board Membership Policy and Procedures and recommended it to the General Assembly for approval.

On December 2025 ,16 (corresponding to Jumada al-Thani 1447 ,25 AH)

- The Board of Directors approved the updated Board of Directors' Rules of Procedure and recommended it to the General Assembly for approval.
- The Board of Directors approved the Audit Committee's recommendation to update the Shareholders' Rights Protection Policy.
- The Board of Directors approved the Remuneration and Nominations Committee's recommendation to update the following policies:
 - » Policies and Procedures for Membership of Board Subcommittees.
 - » Policies and Procedures for Nominating Executive Management. • Dividend Distribution Policy.
 - » Remuneration and Nomination Committee Bylaws, recommended for General Assembly approval.
- The Board of Directors approved the Executive Management's recommendation to update the Corporate Social Responsibility Policy and recommended it for General Assembly approval.
- The Board of Directors approved the notification letter from the Chairman regarding the renewal of the Related Parties License for 2026 and recommended it for General Assembly approval.

Board of Directors' Declarations

The Board of Directors of Zahrat Al Waha Trading Company declares the following:

- That the accounting records have been properly prepared.
- That the internal control system has been established on sound principles and is effectively implemented.
- That there is no reasonable doubt about the company's ability to continue its operations.

Key Resolutions of Zahrat Al Waha Trading Company's General Assembly during 2025

Dated June 2025 ,4 (corresponding to Dhul Hijjah 1446 ,8 AH)

- The Extraordinary General Assembly approved the appointment of KPMG as the company's auditor from among the candidates, based on the recommendation of the Audit Committee, to examine, review, and audit the financial statements for the second, third, and annual quarters of fiscal year 2025 and the first quarter of fiscal year 2026, and set their fees at SAR 800,000 (eight hundred thousand Saudi Riyals only).
- The Extraordinary General Assembly approved the Board of Directors' recommendation to distribute cash dividends for the year 2024, at a rate of forty-five halalas (45) per share, representing 4.5% of the share's nominal value, for a total of SAR 10,125,000, representing 4.5% of the share capital. Eligibility for the dividends will be for shareholders who own shares at the close of trading on the day of the General Assembly meeting and are registered in the company's shareholder register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the General Assembly meeting. Dividend distribution will commence on Thursday, June 19, 2025, corresponding to 23 Dhu al-Hijjah 1446 AH.
- The Extraordinary General Assembly approved amending Article 24 of the company's Articles of Association related to company management.
- The Extraordinary General Assembly approved authorizing the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2025.
- The Board of Directors is authorized by the Ordinary General Assembly to grant the license stipulated in Paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of approval by the General Assembly or until the end of the term of the authorized Board of Directors, whichever is earlier, in accordance with the conditions stipulated in the Implementing Regulations of the Companies Law pertaining to listed joint-stock companies.
- The Extraordinary General Assembly rejected the transactions and contracts concluded during the fiscal year ending December 31, 2024, between the Company and Hana Food Industries Company, in which Board Member Mr. Ahmed Hamoud Ibrahim Al-Dhayab has an indirect interest. These transactions consisted of the sale of finished goods and products, namely plastic bottle preforms and plastic bottle caps in various sizes and weights, as well as the sale and purchase of raw materials and packaging materials during the fiscal year ending December 31, 2024, without discrimination or preferential terms. The total value of these transactions amounted to SAR 28,762,287 in sales, including VAT, and SAR 50,400 in purchases, including VAT.
-
- The Extraordinary General Assembly rejected the discharge of the Board of Directors from liability for the fiscal year ending December 31, 2024.
-
- The Extraordinary General Assembly rejected the payment of a bonus of SAR 600,000 to the non-executive members of the Board of

Directors for the fiscal year ending December 31, 2024.

On August 2025 ,10 (corresponding to Safar 1447 ,16 AH)

- The Extraordinary General Assembly approved the transactions and contracts concluded during the fiscal year ending December 31, 2024, between the company and Hana Food Industries Company. Mr. Ahmed Hamoud Ibrahim Al-Dhayab, a member of the Board of Directors, has an indirect interest in these transactions, which consist of the sale of finished goods and products, specifically plastic bottle preforms and plastic bottle caps in various sizes and weights, as well as the sale and purchase of raw materials and packaging materials during the fiscal year ending December 31, 2024, without any discrimination or preferential terms. The total value of these transactions amounted to SAR 28,762,287 in sales, including VAT, and SAR 50,400 in purchases, also including VAT.
- The Extraordinary General Assembly also approved the discharge of the Board of Directors from liability for the fiscal year ending December 31, 2024.
- The Extraordinary General Assembly approved the payment of a bonus of SAR 600,000 to the non-executive members of the Board of Directors for the fiscal year ending December 31, 2024.
- The Extraordinary General Assembly approved amending Article 4 of the Company's Articles of Association related to the Company's objectives.

On November 2025 ,18 (corresponding to 27 Jumada Al-Awwal 1447 AH)

The Extraordinary General Assembly approved the stock split as follows:

- Par value per share before the split: SAR 10
- Par value per share after the split: SAR 1
- Number of shares before the split: 22,500,000
- Number of shares after the split: 225,000,000
- There is no change in the Company's capital before and after the stock split. - Effective Date: If this item is approved, the stock split will be effective for all shareholders of the company who own shares on the date of the Extraordinary General Assembly meeting and are registered in the company's shareholder register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the date of the Extraordinary General Assembly meeting. The effect of the decision will be applied to the share price starting from the business day following the meeting, and the decision will be applied to the number of shares in shareholders' portfolios on the second trading day following the date of the Extraordinary General Assembly meeting at which the stock split was approved.
- Amendment to Article (7) of the Articles of Association relating to the company's capital.



Company issues

The Board of Directors confirms that there were no lawsuits filed during the fiscal year 2025 by or against the company whose value exceeds 5% of the company's net assets.

The Board of Directors confirms that there were no lawsuits filed during the fiscal year 2025 against any member of the Board of Directors or any partner in the subsidiaries or against any of the company's senior executives

#	Penalty	Reason of penalty	Penalty Authority	Ways to treat it and avoid it	Financial Effects
None					

Table No. (36) Statement of the penalties imposed on the company during the year 2025



Related party transactions and balances for the fiscal year 2025

#	Related party	Relationship	Type of Relationship	Amount of Transactions/Contract					Contract duration
				Sales	Purchases	Proceeds	Payments	Other expenses/ income	
1	Hana Food Industries Co.	Business and contracts concluded between the company and Hana Food Industries Company	The Chairman of the Board of Directors, Mr. Ahmed Hamoud Ibrahim Al- Altheyab, holds the position of a member of the Board of Directors, Managing Director, and one of the shareholders of Hana Food Industries Company.	Net sales including VAT: SAR 23,126,564 Total other sales including VAT: SAR 1,386,756 Net transaction volume (debit transaction): SAR 24,513,320	There are no purchases during 2025	27,502,156 Saudi riyals	-	-	Three Years

Table No. (37) Statement of related party transactions and balances for the fiscal year 2025



Related party transactions and balances for the fiscal year 2024

#	Related party	Relationship	Type of Relationship	Amount of Transactions/Contract					Contract duration
				Sales	Purchases	Proceeds	Payments	Other expenses/ income	
1	Hana Food Industries Co.	Business and contracts concluded between the company and Hana Food Industries Company	The Chairman of the Board of Directors, Mr. Ahmed Hamoud Ibrahim Al- Altheyab, holds the position of a member of the Board of Directors, Managing Director, and one of the shareholders of Hana Food Industries Company.	Net sales including VAT: SAR 28,651,810 Total other sales including VAT: SAR 110,477 Net transaction volume (debit transaction): SAR 28,762,287	Purchases during the year 2024 amounted to 50,400 riyals	53,504,981 SAR	-	-	Three Years

Table No. (38) Statement of related party transactions and balances for the fiscal year 2024



Professional review and consulting fees

For the year ended 31 December		
	2025	2024
Audit and Financial Statement Review Fees - KPMG Professional Consulting	800,000	-
Audit and Financial Statement Review Fees - RSM United Accountants Professional Consulting	-	465,000
Annual Tax Return Fees for the Zakat, Tax and Customs Authority - Ernst & Young Professional Services	128,000	35,000
Disclosure of Interest Report in Business and Contracts in accordance with Article 71 of the Companies Law - RSM United Accountants Professional Consulting	-	15,000
Disclosure of Interest Report in Business and Contracts in accordance with Article 71 of the Companies Law - KPMG Professional Consulting	45,000	--
Bad Accounts Report and Procedures Fees for the Zakat, Tax and Customs Authority - Dr. Mohammed Al-Omari & Partners BDO	-	40,000
Fees for professional and consulting services related to auditing the Zakat, Tax and Customs Authority - Ernst & Young Professional Services	63,000	37,000
Fees for preparing a report on provision for expected credit losses on trade receivables - KPMG Professional Consulting	67,500	45,000
Fees for preparing a report on provision for expected credit losses on trade receivables - Al-Kharashi Certified Accountants and Auditors	30,000	--
Total	1,133,500	637,000





Sustainability and social responsibility

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Sustainability and social responsibility

Our commitment to sustainability is an integral part of our strategy. Through it, we continue to conduct our business responsibly, striving to achieve the goals of Saudi Vision 2030 by diversifying the economy, developing the industrial sector, enhancing private sector participation, and aligning with the UN Sustainable Development Goals (SDGs) through our focus on efficient manufacturing, product quality, and responsible industrial practices.

Zahrat Al Waha Trading Company recognizes that effective engagement with key stakeholders supports business continuity, enhances operational efficiency, and creates long-term value. This is strongly demonstrated through our established operational, commercial, and governance interactions, enabling the company to understand their expectations, manage risks, and respond to relevant issues within the scope of its activities.

Accordingly, and within the framework of ongoing engagement with key stakeholders, and in line with the UN SDGs and the priorities of Saudi Vision 2030, Zahrat Al Waha Trading Company has structured its sustainability approach around three integrated pillars. These pillars reflect the environmental, social, and governance (ESG) practices most relevant to the company's operations, regulatory environment, and stakeholder expectations, providing a clear framework for managing ESG considerations within the business.

Pillar 1: Corporate Governance

Corporate governance forms the cornerstone of the sustainability framework through effective oversight, ethical business practices, and transparent decision-making.

- The Board of Directors is responsible for overseeing the company's strategic direction, financial performance, governance framework, and long-term sustainability.
- Board committees, established in accordance with the company's governance framework and the regulatory requirements of the Kingdom of Saudi Arabia, support the Board in fulfilling its oversight responsibilities (Audit Committee, Remuneration and Nominations Committee, Risk Management Oversight, and Executive Management).
- Policies and procedures adopted by Zahrat Al Waha Trading Company to achieve its strategies, objectives, and sustainability (Anti-Corruption, Conflict of Interest, Reporting of Illegal Practices, and Risk Management).

Pillar 2: Environmental Responsibility

This pillar emphasizes managing the environmental aspects of Zahrat Al Waha Trading Company's operations through the efficient use of resources, waste reduction, and the application of responsible manufacturing practices.

- Energy Management: This pillar encompasses energy efficiency and the sound management of energy use, as these are fundamental pillars of Zahrat Al Waha Trading Company's sustainability methodology and operational performance. Zahrat Al Waha Trading Company continues to evaluate opportunities to enhance its energy performance

by developing processes and improving mechanisms for monitoring consumption patterns.

- Emissions: Zahrat Al Waha Trading Company continues its efforts to monitor and manage its greenhouse gas emissions, in line with internationally recognized methodologies and relevant regulatory requirements. Emissions are assessed based on the «Accounting and Reporting Standard of the Greenhouse Gas Protocol» to ensure the highest level of consistency and transparency in emissions classification and disclosure.
- Water Management: Zahrat Al Waha Trading Company monitors water use and discharge rates within its operational management system and environmental compliance practices. It strives to achieve the required alignment with national environmental requirements, better manage operational water risks, and support responsible industrial practices.
- Waste management and the circular economy, adopted by Zahrat Al Waha Trading Company as part of its effective strategy for managing waste generation and disposal, represent a fundamental part of the company's operational controls and environmental management practices. This approach aims to reduce the amount of waste sent to landfills and promote responsible waste management in accordance with applicable regulations in the Kingdom of Saudi Arabia

Pillar 3: Social Impact

This pillar reflects Zahrat Al Waha Trading Company's commitment to maintaining a safe, inclusive, and productive work environment. This is achieved by addressing employee health and safety, enhancing workforce capabilities, and promoting responsible work practices.

- Recruitment Practices: Zahrat Al Waha Trading Company focuses on building a qualified workforce that contributes to supporting operational performance and long-term business sustainability, in accordance with applicable labor laws in the Kingdom of Saudi Arabia. The company also implements systematic and organized processes for career development and employee performance management to enhance employee efficiency. Furthermore, the company applies compensation and benefits policies that comply with Saudi labor laws and relevant regulatory requirements, and these policies are subject to periodic review to ensure fairness and consistency across all roles and job levels.
- Diversity and equal opportunities in employment: Zahrat Al Waha Trading Company is committed to implementing these principles and adopts policies that prohibit discrimination based on gender, nationality, age, or other personal characteristics of employees.
- Saudization: Zahrat Al Waha Trading Company strives to support workforce Saudization efforts through a gradual and balanced approach, in line with the objectives of the Kingdom's Vision 2030.
- Zahrat Al Waha Trading Company also adopts several practices that support social impact, such as age diversity, gender diversity, nationality diversity, women's empowerment, employee participation

and grievance mechanisms, training and capacity building, workforce stability and retention, and compliance with internal human resources policies.

- Occupational health and safety: Zahrat Al Waha Trading Company prioritizes this, ensuring the protection of the health and safety of its employees and adherence to responsible environmental practices in all its operations and processes, through its Health and Safety Management Department.

- Occupational safety, including identifying and managing risk factors, providing training and awareness programs, promoting safe work practices, managing occupational safety for contractors and suppliers, and ensuring environmental protection and continuous improvement.
- Digital transformation, which Zahrat Al Waha Trading Company is constantly striving to keep pace with by developing its digital infrastructure, ensuring data security and protection, focusing on digital transformation initiatives, improving information flow, and ensuring compliance with internal control requirements and applicable regulations.



Statement of Zakat and legal payments repaid

Below are the regular payments made during the fiscal year ending December 2025 ,31

2025				
Description	Paid	Due until the end year 2025 and not paid	Brief Description	Reasons
Zakat ,Customs and Income Tax	1,783,108	2,420,817	The estimated legal zakat for the year 2025	Zakat due for the year 2025 is to be paid during the regular period of the year 2026.
General Authorization for Social Insurance	846,647	82,345	Social insurance for the year 2025 for company employees	The outstanding amount that has not been paid is the insurance for December 2025, and it should be paid in the month following the due date.
Labor Office fees	424,002	0	Labor office fees for residency renewal	-
Valued added tax	14,932,858	387,673	Value Added Tax Declaration for December 2025	Value added tax for the month of December 2024 AD and will be recovered during the year 2025 AD

Table No. (39) Zakat and regular payments



The focus of our operational process in 2026

Our operational focus for 2026 will be as follows

1

Leading in environmental, social, and governance (ESG) practices by intensifying efforts to transform and diversify sustainability options in our operations

2

Increasing productivity by adding new products to our portfolio, including the plastic bottles perform segment, the plastic caps segment, and the Printing & Packing segment.

3

Leveraging the resources of the Kingdom of Saudi Arabia by pursuing new investment opportunities to enhance the company's financial strength (both within and outside the Kingdom)

AUDIT COMMITTEE REPORT TO THE BOARD OF DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025





تقرير لجنة المراجعة لشركة زهرة الواحة للتجارة الى مجلس الإدارة عن السنة المالية المنتهية في 31 ديسمبر 2025

AUDIT COMMITTEE REPORT TO THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Audit Committee is pleased to present its annual report for the year ended 31 December 2025, summarizing the Committee's key activities and the extent to which its responsibilities were exercised throughout the year. This report also outlines the Committee's assessment of the adequacy of the Company's internal control, financial control, and risk management systems.

Audit Committee Structure and Meetings

- The Committee is independent and composed of three non-executive members. In line with the Charter, the Committee holds a minimum of four meetings annually.
- Members of Executive Management and the External Auditors may be invited to attend as needed.
- The Internal Audit Manager serves as Committee Secretary.
- The Board of Directors previously approved the delegation of Risk Committee responsibilities to the Audit Committee on 17 July 2019.
- The Audit Committee has chosen Mr. Taha Mohammed Abdul Wahid Azhari as Chairman of the Audit Committee for the committee's starting period from December 26, 2024
- During 2025, the Committee held six (6) meetings. Attendance records are summarized below:

يسرنا أن نقدم تقريرنا عن السنة المنتهية في 31 ديسمبر 2025م؛ يشتمل هذا التقرير على تفاصيل أداء اللجنة لاختصاصاتها ومسؤولياتها وكما يتضمن رأيها في مدى كفاية نظم الرقابة الداخلية والمالية وإدارة المخاطر في الشركة.

تشكيل واجتماعات لجنة المراجعة

- تتمتع لجنة المراجعة بالاستقلالية وتتكون اللجنة من ثلاثة أعضاء غير تنفيذيين. تعقد اللجنة أربع اجتماعات كحد أدنى خلال السنة.
- من الممكن ان يتم توجيه الدعوة للسادة أعضاء الادارة التنفيذية للشركة وللمراقبي الحسابات الخارجيين، بالإضافة الى اية اشخاص او جهات اخرى بحسب ما تراه اللجنة مناسباً.
- يقوم مدير المراجعة الداخلية بمهمة مقرر وأمين سر اللجنة.
- بتاريخ 17 يوليو 2019 تم تعديل مهام لجنة المراجعة لتتضمن مهام واختصاصات لجنة إدارة المخاطر بقرار من مجلس إدارة الشركة.
- قامت لجنة المراجعة اعتباراً من 26 ديسمبر 2024 باختيار السيد/ طه محمد عبد الواحد أزهرى كرئيس للجنة المراجعة.
- انعقدت اللجنة عدد ست مرات خلال السنة وكان الحضور كما هو موضح بالجدول ادناه:

Name of Member اسم العضو	Designation المنصب	AC (1) الاجتماع (1)	AC (2) الاجتماع (2)	AC (3) الاجتماع (3)	AC (4) الاجتماع (4)	AC (5) الاجتماع (5)	AC (6) الاجتماع (6)
		19-Mar-2025	01-May-2025	13-Jul-2025	31-Jul-2025	27-Oct-2025	16-Dec-2025
Mr. Taha M. Azhari السيد/ طه محمد أزهرى	Chairman رئيساً	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر
Mr. Meshaal M. Al-Mogren السيد/ مشعل محمد المقرن	Member عضواً	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر
Mr. Ahmed Harara السيد/ احمد حرارة	Member عضواً	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر
Mr. Mohamed Samir السيد/ محمد سمير	Secretary أمين السر	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر	Present حضر



شركة زهرة الواحة للتجارة
Zahrah Al Waha for Trading Company
الرقم الضريبي ٣٠٢٥٠٦٤٥٥٠٠٠٠٠٠٠٠٠

Key Activities and Oversight Areas

1. Financial Reporting

- Reviewed and discussed the quarterly and annual financial statements for 2025.
- Provided its technical view regarding clarity, fairness, and balance of the disclosures.
- Reviewed key accounting estimates and critical financial assumptions.
- Assessed the appropriateness and consistency of the financial and accounting policies applied by the Company.

2. Internal Audit & Risk Management

- Reviewed and approved the Risk & Internal Audit annual plan. Monitored implementation of risk mitigation actions and audit recommendations.
- Discussed Internal Audit & Risk quarterly reports in line with the approved plan.
- Conducted an annual evaluation of the Internal Audit Manager's performance for 2025.

3. External Auditor

- The Committee discussed and recommended the hiring of an external auditor from professional firms for The Company's Board of Directors, which decided to hire the external auditor (KPMG Professional Services).
- Reviewing the external auditor's work procedures plan and verifying that there is no deficiency in the performance of his duties.
- Assessed the external auditor independence, objectivity, professional conduct, and audit effectiveness.
- Discuss the external auditor's reports and observations on the financial statements and follow up on what has been taken regarding them.

4. Compliance

- Reviewed and approved updates to the Conflict-of-Interest Policy and the Audit Committee Charter for presentation to the company's Board of Directors.
- Reviewed regulatory reports related to compliance with applicable laws and regulations.
- Reviewing contracts and transactions proposed to be conducted by the company with related parties and expressing an opinion on them to the Board of Directors.

اختصاصات اللجنة ومسؤولياتها

1. التقارير المالية

- قامت اللجنة بمراجعة ومناقشة القوائم المالية الربع سنوية والسنوية للشركة لعام 2025 واوصت باعتمادها.
- إبداء الرأي الفني فيما إذا كان التقرير السنوي لمجلس الإدارة والقوائم المالية للشركة عادلة ومتوازنة ومفهومة.
- التحقق من التقديرات المحاسبية في المسائل الجوهرية الواردة في التقارير المالية .
- دراسة السياسات المالية والمحاسبية المتبعة في الشركة.

2. إدارة المراجعة الداخلية والمخاطر

- قامت اللجنة بمناقشة خطة المراجعة الداخلية والمخاطر وتحديث تقييم المخاطر وتابعت اللجنة اداء إدارة المراجعة الداخلية والمخاطر خلال العام.
- قامت اللجنة بمناقشة تقارير إدارة المراجعة الداخلية والمخاطر الربع سنوية والسنوية خلال عام 2025 وفقا لخطة المراجعة الداخلية والمخاطر.
- قامت اللجنة بتقييم الأداء السنوي لمدير المراجعة الداخلية عن عام 2025.

3. مراجع الحسابات الخارجی

- قامت اللجنة بترشيح عدة مكاتب مهنية لتعيين مراجع الحسابات الخارجي لمراجعة حسابات الشركة لعام 2025 لمجلس ادارة الشركة والتي قررت تعيين (كي بي إم جي للاستشارات المهنية).
- مراجعة خطة إجراءات عمل مراجع الحسابات الخارجي ، والتحقق من عدم وجود تجاوز أو قصور في أداء مهامه.
- التحقق من استقلالية مراجع الحسابات وموضوعيته وعدالته وفعالية أعمال المراجعة مع مراعاة القواعد والمعايير ذات الصلة.
- دراسة تقارير مراجع الحسابات وملاحظاته على القوائم المالية ومتابعة ما اتخذ بشأنها.

4. ضمان الالتزام

- الاطلاع والموافقة على تعديل سياسة تعارض المصالح ولائحة عمل لجنة المراجعة لعرضها لمجلس ادارة الشركة.
- دراسة تقارير الجهات الرقابية بشأن التزام الشركة بالأنظمة والتعليمات، والتأكد من اتخاذ الشركة الإجراءات اللازمة بشأنها.
- مراجعة العقود والتعاملات المقترح أن تجريها الشركة مع الأطراف ذوي العلاقة ، وابداء الرأي لمجلس الإدارة بشأنها.



رأي لجنة المراجعة في مدى كفاية نظم الرقابة الداخلية والمالية وإدارة المخاطر في الشركة

في ضوء ما قامت به اللجنة من أعمال خلال السنة المنتهية في 31 ديسمبر 2025، وبناءً على تقارير إدارة المراجعة الداخلية والمخاطر ومراجع الحسابات الخارجي لم يتبين لدى لجنة المراجعة وجود ضعفاً جوهرياً من شأنه التأثير في إجراءات الرقابة الداخلية وأن السياسات والإجراءات في الشركة ملائمة، مع استمرار التوصية لإدارة الشركة بالمتابعة المستمرة لتطوير وتحسين كفاءة وفعالية الضوابط الداخلية المعمول بها وضرورة التحديث المستمر لسياسات الشركة وإجراءاتها.

عن لجنة المراجعة لشركة زهرة الواحة للتجارة

طه محمد عبد الواحد أزهرى

رئيس لجنة المراجعة

Financial Statements



ZAHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REPORT

ZAHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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Statement of profit or loss and other comprehensive income	2
Statement of changes in equity	3
Statement of cash flows	4
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KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Zahrat Al Waha for Trading Company (Saudi Joint stock Company)

Opinion

We have audited the financial statements of Zahrat Al Waha for Trading Company ("the Company"), which comprise the statement of financial position as of 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مقفلة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠٠٠٠٠٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية للشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة الإنجليزية خاصة محدودة بالضمان.

Independent Auditor's Report (continued)

To the Shareholders of Zahrat Al Waha for Trading Company (Saudi Joint stock Company)

Revenue Recognition	
Refer to note (5) to the financial statements for the accounting policy relating to revenue recognition and note (27) to the financial statements for the related disclosures.	
The key audit matter	How the matter was addressed in our audit
During the year ended 31 December 2025, the Company recognised total revenues of (ﷲ) 475.3 million from the sale of products, recognised upon the transfer of control to customers, in accordance with IFRS 15 Revenue from Contracts with Customers. Revenue is recognized at a point in time once performance obligation is satisfied resulting from the sale of products after the transfer of control to customers. Revenue recognition is considered a Key Audit Matter as it is a key measure of the Company's performance and involves a large number of transactions and due to the complexity involved in determining the appropriate timing of revenue recognition based on the transfer of control, With the presence of risks of material misstatement arising from potential fraud. The risk arises from the possibility of inappropriate revenue recognition, including premature recognition, fictitious revenue, or the incorrect application of IFRS 15. In addition, revenue recognition is presumed to be a fraud risk under auditing standards, which requires heightened auditor scrutiny and the performance of additional audit procedures.	Our audit procedures performed included, among others, the following: - Assessed whether the Company's revenue recognition policies comply with IFRS 15 Revenue from Contracts with Customers and whether they are appropriate to its business model. - Inquired from management and those charged with governance regarding fraud risk awareness, the existence of any identified or suspected fraud cases, and their views on pressures or incentives that could lead to inappropriate revenue recognition. - Obtain an understanding of the key internal controls related to revenue recognition and evaluate their design and operating effectiveness. - Inspected on sample basis, customer contracts and supporting agreements. - Selected samples of sales transactions during the year to verify that revenue was recognised only upon transfer of control to customers, inspecting corroborating evidence such as invoices and delivery documentation. - Tested samples of sales transactions around the year-end before and after cut-off period to assess whether recognition is in the correct financial period. - Performed reconciliation of recorded revenue to cash receipts to assess completeness and identify any unusual or unmatched transactions. - Assessed the adequacy and completeness of revenue-related disclosures in the financial statements for compliance with IFRS 15.

Independent Auditor's Report (continued)

To the Shareholders of Zahrat Al Waha for Trading Company (Saudi Joint stock Company)

Impairment of trade receivables	
Refer to note (5) to the financial statements for the accounting policy relating to impairment of financial assets and note (25-2) to the financial statements for the related disclosures.	
The key audit matter	How the matter was addressed in our audit
At 31 December 2025, trade receivables are stated at to (ﷲ)190.6 million and the related expected credit loss (ECL) allowance is stated at (ﷲ) 31.4 million. The Company applies the expected credit loss model under IFRS 9 "Financial Instruments" to account for impairment of financial assets using the simplified approach. The application of Expected credit loss model involves significant management judgment, including consideration of historical collection experience, and specific assessment of overdue trade receivables accounts. These estimates and assumptions are expected to have material impact on the financial statements. This matter was considered significant due to the magnitude of the receivable balances and the subjectivity in management's assumptions and estimates.	Our audit procedures performed included, among others, the following: - Assessed the reasonableness of management's ECL model. - Evaluated the design and implementation of controls over credit risk assessment and impairment estimation. - Inspected the receivables ageing report to identify overdue balances and assess the adequacy of the impairment allowance. - Inspected management's identification of individually impaired receivables. - Consulted our own internal specialist to assess the model framework and assumptions used by management, and to evaluate the reasonableness of estimates applied in determining impairment losses. - On a sample basis, we tested the completeness, accuracy, and validity of data used in the impairment calculations by verifying supporting documents. - We evaluated the adequacy of disclosures in the financial statements regarding trade receivables and related expected credit loss allowance.

Other matter

The financial statements as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 19 Ramadan 1446H (corresponding to 19 March 2025).

Independent Auditor's Report (continued)

To the Shareholders of Zahrat Al Waha for Trading Company (Saudi Joint stock Company)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, The Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal Control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ZAHRAAT AL WAHA FOR TRADING COMPANY

(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2025

All amounts are stated in Saudi Riyals (ﷲ) unless otherwise indicated

	Notes	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	199,871,591	213,380,163
Intangible assets	7	2,984,818	3,506,714
Investment properties	8	1,674,000	1,674,000
Total non-current assets		204,530,409	218,560,877
Current assets			
Trade receivables	9	159,201,862	164,076,424
Inventories	10	96,293,760	134,096,525
Prepayments and other receivables	11	20,181,359	17,369,683
Investments at fair value through profit or loss (FVTPL)	12	21,178,781	23,665,685
Cash and cash equivalents	13	7,266,287	5,365,322
Total current assets		304,122,049	344,573,639
Total Assets		508,652,458	563,134,516
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	225,000,000	225,000,000
Statutory reserve		30,818,396	30,498,741
Retained earnings		34,616,600	41,864,703
Other reserves		590,680	501,564
Total equity		291,025,676	297,865,008
Non-current Liabilities			
Employees' end-of-service benefits	15	3,601,097	3,169,843
Long-term loans	16	3,510,000	5,850,000
Total non-current liabilities		7,111,097	9,019,843
Current liabilities			
Short-term loans	16	164,665,244	196,294,717
Long-term loans – current portion	16	2,340,000	22,180,405
Trade payables		34,010,601	28,203,047
Accrued expenses and other payables	17	6,916,368	7,662,980
Zakat Provision	18	2,420,818	1,745,862
Dividend payables		162,654	162,654
Total current liabilities		210,515,685	256,249,665
Total liabilities		217,626,782	265,269,508
Total equity and liabilities		508,652,458	563,134,516

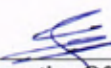
The accompanying notes from page (5) to (38) form an integral part of these financial statements, which were approved for issuance by the Board of Directors and have been authorized by:

		
Chairman	Chief Executive Officer	Chief Financial Officer
Ahmed Hammoud Altheyab	George Abdulkarim Moussa	Mahmoud Mohamad Zaky

ZAH RAT AL WAHA FOR TRADING COMPANY
 (A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2025
 All amounts are stated in Saudi riyals (ﷲ) unless otherwise indicated

	Notes	For the year ended	
		2025	2024
Sales		475,341,838	544,688,020
Cost of sales	19	(425,137,686)	(484,077,282)
Gross profit		50,204,152	60,610,738
(Deduct) / Add			
Selling and distribution expenses	20	(16,370,482)	(15,787,451)
General and administrative expenses	21	(9,671,091)	(9,774,923)
Impairment loss on trade Receivables	9	(570,167)	(3,346,204)
Other income		284,821	1,606,013
Operating profit		23,877,233	33,308,173
Net changes in investments at fair value through profit or loss	12	(2,790,634)	1,937,141
Finance costs	16	(15,431,983)	(19,994,576)
Profit before Zakat		5,654,616	15,250,738
Zakat	18	(2,458,064)	(3,173,345)
Profit for the year		3,196,552	12,077,393
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of employees' end-of-service benefits	15	89,116	67,217
Total other comprehensive income		89,116	67,217
Total comprehensive income		3,285,668	12,144,610
Basic and diluted earnings per share (ﷲ)	24	0.014	0.054

The accompanying notes from page (5) to (38) form an integral part of these financial statements, which were approved for issuance by the Board of Directors and have been authorized by:

		
Chairman	Chief Executive Officer	Chief Financial Officer
Ahmed Hammoud Altheyab	George Abdulkarim Moussa	Mahmoud Mohamad Zaky

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

All amounts are stated in Saudi riyals (ﷲ) unless otherwise indicated

	Share capital	Statutory reserve	Retained earnings	Other reserves	Total
For the year ended 31 December 2024					
Balance as of 1 January 2024	225,000,000	29,291,002	61,370,049	434,347	316,095,398
Profit for the year	--	--	12,077,393	--	12,077,393
Other comprehensive income for the year	--	--	--	67,217	67,217
Total comprehensive income for the year			12,077,393	67,217	12,144,610
Dividends (Note 22)	--	--	(30,375,000)	--	(30,375,000)
Transferred to statutory reserve	--	1,207,739	(1,207,739)	--	--
Balance as of 31 December 2024	225,000,000	30,498,741	41,864,703	501,564	297,865,008
For the year ended 31 December 2025					
Balance as of 1 January 2025	225,000,000	30,498,741	41,864,703	501,564	297,865,008
Profit for the year	--	--	3,196,552	--	3,196,552
Other comprehensive income for the year	--	--	--	89,116	89,116
Total comprehensive income for the year			3,196,552	89,116	3,285,668
Dividends (Note 22)	--	--	(10,125,000)	--	(10,125,000)
Transferred to statutory reserve	--	319,655	(319,655)	--	--
Balance as at 31 December 2025	225,000,000	30,818,396	34,616,600	590,680	291,025,676

The accompanying notes from page (5) to (38) form an integral part of these financial statements, which were approved for issuance by the Board of Directors and have been authorized by:

	Chairman Ahmed Hammoud Altheyab		Chief Executive Officer George Abdulkarim Moussa		Chief Financial Officer Mahmoud Mohamad Zaky
--	---	--	--	--	--

ZAHRAAT AL WAHA FOR TRADING COMPANY

(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

All amounts are stated in Saudi riyals (ﷻ) unless otherwise indicated

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		5,654,616	15,250,738
Adjustments for:			
Depreciation and amortization		32,227,350	30,908,317
Investments at fair value through profit or loss	12	3,021,596	(1,742,522)
Employees' end-of-service benefits	15	727,045	596,262
Finance costs	16	15,431,983	19,994,576
Allowance for impairment of trade receivables	9	570,167	3,346,204
Changes in:			
Inventories		37,802,765	(14,543,216)
Trade receivables		4,304,395	7,606,379
Prepayments and other receivables		(2,811,676)	29,955,168
Trade payables		5,807,554	4,481,954
Investments at fair value through profit or loss		(534,692)	1,427,218
Accrued expenses and other payables		(746,612)	995,874
Cash generated from operating activities		101,454,491	98,276,952
Finance costs paid		(13,479,785)	(16,493,744)
Employees' benefits Paid		(206,675)	(56,359)
Zakat paid		(1,783,108)	(8,594,683)
Net cash flow generated from operating activities		85,984,923	73,132,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant, and equipment	6	(18,196,882)	(11,768,575)
Purchase of Intangible assets		--	(2,318,386)
Net cash flow used in investing activities		(18,196,882)	(14,086,961)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	16	432,904,264	549,713,731
Repayments of loans	16	(488,666,340)	(579,811,625)
Dividends paid	22	(10,125,000)	(30,375,000)
Net cash used in financing activities		(65,887,076)	(60,472,894)
Net change in cash and cash equivalents		1,900,965	(1,427,689)
Cash and cash equivalents at the beginning of the year		5,365,322	6,793,011
Cash and cash equivalents at the end of the year		7,266,287	5,365,322

The accompanying notes from page (5) to (38) form an integral part of these financial statements, which were approved for issuance by the Board of Directors and have been authorized by:


Chairman
 Ahmed Hammoud Altheyab


Chief Executive Officer
 George Abdulkarim Moussa


Chief Financial Officer
 Mahmoud Mohamad Zaky

ZAH RAT AL WAHA FOR TRADING COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

All amounts are stated in Saudi riyals (ﷲ) unless otherwise indicated

1- REPORTING ENTITY

Zahrat Al Waha For Trading Company ("the Company") is a Saudi Joint Stock Company established under the Regulations for Companies in the Kingdom of Saudi Arabia on 10 Sha'ban 1424H (corresponding to 6 October 2003). The Company was converted from a sole proprietorship to a Limited Liability Company with a capital of (ﷲ) 50 million on 27 Safar 1437H (corresponding to 9 December 2015). In addition, it was converted from a Limited Liability Company to a Saudi Closed Joint Stock Company with a capital of (ﷲ) 80 million on 3 Rabi' II 1438H (corresponding to 1 January 2017). It was converted from a Saudi Closed Joint Stock Company to a Saudi Joint Stock Company with a capital of (ﷲ) 150 million on 26 Dhul-Hajjah 1438H, corresponding to 17 September 2017.

The Saudi Capital Market Authority approved the listing of the Company in the Saudi Stock Exchange (Tadawul) on 26 Dhul-Hajjah 1438H (corresponding to 17 September 2017). Formal procedures to amend the Company's bylaws to convert it from a Saudi Closed Joint Stock Company into a Saudi Joint Stock Company were completed on 12 Rabi I 1439H (corresponding to 30 November 2017).

The principal activities of the Company include the manufacture of semi-finished products from plastics, the manufacture of cans and boxes from plastics, the manufacture of bottles of various forms from plastics, packaging & printing material, the manufacture of products from plastics using the Roto mold method, under the industrial license No. 1433100178351 dated 30 Dhu1-Qiyydah 1432H (corresponding to 27 February 2012).

The Company operates under Commercial Registration No.1010190390 and unified number 7009395554 issued in Riyadh on 10 Sha'ban 1424H (corresponding to 6 October 2003) in the Kingdom of Saudi Arabia.

The Company carries out its activities through its branch in Al-Kharj under Commercial Registration No. 1011014061 issued in Riyadh on 22 Jumada II 1431H (corresponding to 4 June 2010).

The Extraordinary general assembly meeting held on 9 May 2022 (corresponding to 8 Shawwal 1443 H) approved the increase the company's capital from (ﷲ) 150 million to be (ﷲ) 225 million divided into 22.5 million ordinary shares with a nominal value of (ﷲ) 10 per share by granting free shares to the company's shareholders as a transfer from the retained earnings.

The Extraordinary General Assembly held on 18 November 2025 (corresponding to 27 Jumada al-Awwal 1447 H) based on the Board of Directors' recommendation, approved on the company's stock split by reducing the nominal value of the share from 10 (ﷲ) to 1 (ﷲ) per share, The paid-up capital remains unchanged at 225 million (ﷲ).

The Company's registered head office is at the following address:

Zahrat Al Waha For Trading Company
7449 Al Ihsa Street, Al Rabwa
P.O. Box 2980, Riyadh 12814
Kingdom of Saudi Arabia.

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(A SAUDI JOINT STOCK COMPANY)

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2- BASIS OF ACCOUNTING**2-1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS as endorsed in the Kingdom of Saudi Arabia").

2-2 Basis of measurement

The financial statements have been prepared under the historical cost convention and accrual basis of accounting, except for the following items included in the statement of financial position:

- Investments carried out at fair value through profit or loss are measured at fair value.
- The employees' end of service benefit obligation is measured at the present value of the future liability using the expected unit credit method.

2-3 Functional and presentation currency

These financial statements are prepared in Saudi Riyals (ﷻ) which is Company's functional and presentation currency.

3- USE OF ESTIMATES, ASSUMPTIONS AND SIGNIFICANT JUDGMENTS

The preparation of the Company's financial statements per IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by the Saudi Organization for Chartered and Professional Accountants require management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates is recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following judgments, which have an effect on the amounts recognized in the financial statements:

Estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates rarely equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

Going concern

The Company's management assessed the Company's ability to continue to operate per the principle of going concern and reached a conviction that the Company has sufficient resources to enable it to continue operating in the foreseeable future. Also, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going-concern basis.

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3- USE OF ESTIMATES, ASSUMPTIONS AND SIGNIFICANT JUDGMENTS (CONTINUED)
Provision for impairment in inventories

Inventory is stated at cost or net realizable value, whichever is lower. The amount of write-off and any reduction in inventory to the net realizable value and inventory losses is recognized as an expense in the same period in which the write-off or expense occurred. A provision (if necessary) is made for obsolete and damaged inventories.

The Company reassesses the net realizable value in each subsequent period per the Company's policy. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate for the consideration required to settle the present obligation at the reporting date considering risk and doubts specific to liability. Where the provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When the Company expects some or all economic benefits that are required to settle a provision of the third party to be reimbursed, the accrued amount is recognized as an asset if the reimbursed amount is virtually certain, and its value can be reliably estimated.

The useful life of property, plant, and equipment

The management determines the estimated useful life of property, plant, and equipment for calculating depreciation. This estimate is made after considering the expected usage of the asset or physical wear and tear. Management performs periodic reviews for the estimated useful lives and depreciation method at least annually to ensure that depreciation duration and method are consistent with the expected pattern for the economic benefits of the assets.

Assumptions of employees' benefits obligations

Post-employment benefits represent liabilities that will be settled in the future and require using of assumptions against expected liabilities. IAS 19 requires management to make further assumptions regarding variables such as discount rates, rate of compensation increases, return on asset, mortality rates, employment turnover rate, and future healthcare costs. The management uses an external actuary to perform this calculation. Changes in key assumptions can have a significant impact on the projected benefits obligation and/or periodic employee benefits costs incurred.

Provision for expected credit losses of financial assets

The Company applies the simplified method for assessing expected and specific credit losses under IFRS 9.

To measure expected credit losses, trade receivables are grouped based on the characteristics of the joint credit risk and the days on which they are due. Historical loss rates are adjusted to reflect current and future information per indicators of macroeconomic activity that affect customers' ability to settle receivables. The Company has defined gross domestic product and inflation as primary inputs for adjusting historical loss ratios according to expected changes to these factors.

At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

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4- NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

New standards and a set of amendments to existing standards became effective on 1 January 2025. However, they do not have any impact on the Company's financial statements.

Currently effective requirements: This table lists the recent changes to the standards that are required to be applied for an annual period beginning after 1 January 2025.

Standards	Title	Effective date
IAS 21	Lack of Exchangeability	1 January 2025

New requirements: The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the financial statements, are disclosed below. The Company is currently assessing the implications for the financial statements on adoption. The Company intends to adopt these standards, where applicable, when they become effective.

Standards	Title	Effective date
IFRS 9 & IFRS 7	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
IFRS 10 and IAS 28	Annual improvement to IFRS accounting standards- Volume 11 Sale or contribution of assets between and investor and its associate or joint venture-Amendments to IFRS 10 and IAS 28	To be determined
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: Disclosure	1 January 2027

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5- MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

Property, plant and equipment**Recognition and measurement**

Items of property, plant, and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

When parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate components (key elements).

Any gains or losses on the disposal of items of property, plant, or equipment are recognized in the statement of profit or loss.

Subsequent expenditures

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation is calculated for the cost of items of property, plant and equipment less than their estimated residual values if any, using the straight-line method over their estimated useful lives, and depreciation is recognized in profit or loss. Land is not depreciated.

The estimated useful lives for the items of property, plant, and equipment for the current and comparative years are as follows:

Buildings	33 years
Machinery and equipment	10 years
Motor vehicles	5 years
Tools and equipment	10 years
Furniture	10 years
Computers	5 Years

The depreciation methods, useful lives and residual values are reviewed in each reporting period and adjusted if appropriate.

Capital work in progress is not depreciated and is stated at cost, less any impairment losses, if applicable.

Intangible assets**Recognition and measurement**

Intangible assets include computer software acquired by the Company having finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses, if any.

Subsequent expenditures

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow the company.

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5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

Amortization

Amortization is calculated on the cost of intangible assets, less their estimated residual values, if any, using the straight-line method over their estimated useful lives. Amortization is recognized in profit or loss.

The estimated useful life of computer software is 10 years.

Amortization methods, useful life, and residual values are reviewed at each reporting date and adjusted if appropriate.

Investment properties

Investment property is measured at cost, any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

The investment properties consists of Lands and Lands are not depreciated.

Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that relate directly to the purchase or issue of financial assets or liabilities not measured at fair value through profit or loss (FVPL) are added to, or deducted from, the fair value of the financial assets or liabilities upon initial recognition.

Transaction costs that are directly related to financial assets or liabilities measured at FVPL are recognized directly in the statement of profit or loss.

Classifications and subsequent measurements

Financial assets- Classification

Financial assets are classified into the following specified categories:

Financial assets 'at fair value through profit or loss' (FVTPL), fair value through other comprehensive income (FVTOCI) or financial assets measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose of trading.

Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in the near future.
- If they represent a known portfolio of financial instruments managed by the Company and include the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in the statement profit or loss.

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5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

Classifications and subsequent measurements (continued)

Financial assets measured at amortized cost

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortized cost is recognized in the Statement of Profit or Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

A financial asset shall be measured at FVOCI if both of the following are met:

- a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financials assets; and
- b) The contractual cashflows are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

Financial liabilities (including loans and trade payables) are recognized initially at fair value less any directly attributable cost. After initial recognition these are measured at amortized cost using the effective interest method.

The Company recognizes financial liabilities when, and only when, the Company's obligations are discharged, canceled, or have expired. The difference between the carrying amount of disposed financial liabilities and the amount paid is charged to the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the financial statements when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

Impairment of financial assets

The Company assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its debt instruments as part of its financial assets, carried at amortised cost and FVOCI.

For accounts receivable, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from historical information of the Company and are adjusted to reflect the expected future outcome which also incorporates forward-looking information for macroeconomic factors such as inflation and gross domestic product growth rate.

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5- MATERIAL ACCOUNTING POLICIES (CONTINUED)**Financial Instruments (continued)****Financial liabilities (continued)****Impairment of financial assets (continued)**Definition of default

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify significant increase in credit risk before the amount becomes past due.

- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without considering any collateral held by the Company).

In the above context, the Company considers default when:

- The customer is unlikely to pay its credit obligations to the company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- When the customer is past due on any material credit obligation to the Company. In case the industry norm suggests a period fairly represents default scenario for the Company.

Management has calculated the PD based on roll-rate and LGD based on information available at year end that substantiated the recoverability of balances.

Write off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Inventories

Inventories include raw materials, packaging material, work in progress and finished goods, spare parts supplies and oil that are measured at the lower of cost or net realizable value. The cost is determined based on the weighted average method. Costs of purchased inventory are determined after deduction rebates and discount and includes expenditures incurred in bringing inventories to their existing location and condition.

Work in progress and finished goods include direct materials, direct labor and an appropriate proportions of fixed and variable indirect expenses.

The net realizable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the same period of the write-off event or incurred loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances, and investments maturing within three months or less, which are readily available to the Company without any restrictions.

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5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

End of service liability

Short-term Employee Benefits

Short-term employee benefits are recognized as expenses when the related service is rendered. A liability is recorded for the amount expected to be paid if the Company has a present obligation (legal or constructive) to pay such amounts as a result of services previously rendered by employees, and the obligation can be reliably estimated.

Employee benefits are payable to all eligible employees in accordance with the applicable labor laws and regulations governing the Company, upon the termination of their employment contracts.

Defined Contribution Plans

Retirement benefits in the form of contributions to the General Organization for Social Insurance (GOSI) represent defined contribution plans. The Company has no further obligation beyond the contributions payable to GOSI. Contributions payable are recognized as an expense when they become due.

The Company applies defined benefit plans in accordance with the applicable Saudi Labor Law based on accrued service periods of employees as at the statement of financial position date.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method. Previously, the Company measured its end-of-service obligation at the present value of the benefits accrued that employees would be entitled to if their service were terminated at the reporting date.

Remeasurements comprise actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability/asset), and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset). Remeasurements are recognized immediately in the statement of financial position with a corresponding entry in retained earnings through other comprehensive income (OCI) in the period in which they occur. These are not reclassified to profit or loss in subsequent periods.

Past service cost is recognized in profit or loss at the earlier of:

- The date of plan amendment or curtailment, or
- The date the Company recognizes corresponding restructuring costs.
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit liability in profit or loss:

- Service costs, including current service costs, past service costs, and gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Zakat

Zakat is calculated in accordance with regulations of Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia ("ZATCA") on the Saudi shareholders' shares and on an accrual basis. The Zakat charge is recognized in the statement of profit or loss. The differences, if any, resulting from the final assessments are adjusted in the year when declarations are finalized.

Statutory reserve

In accordance with the Company's by-laws, the Company must set aside 10% of its annual net income as a statutory reserve until it reaches 30% of the share capital. This reserve is not available for distribution. The reserve allocation is computed on an annual basis.

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5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue

The Company recognises revenues from contracts with customers based on a five-step model as set out in IFRS (15) as follows:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The application of accounting policy for the Company's revenue from contracts with customers are outlined below:

Company generate revenue from several segments including:

- Plastic preforms
- Plastic Caps
- Printing materials
- Packaging materials

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5- MATERIAL ACCOUNTING POLICIES (CONTINUED)**Revenue recognition (continued)**Revenue (continued)

<u>Type of product</u>	<u>Nature, timing of satisfaction of performance obligation and significant payment terms</u>
	Revenue is recognized when control of the goods is transferred to the customer, which occurs upon delivery of the goods in accordance with the contractual terms.
Plastic preforms and caps.	Products are sold with volume-based discounts determined based on cumulative sales over a 12-month period. These discounts represent variable consideration and are estimated at contract inception and updated at each reporting date, subject to the constraint to ensure that revenue recognized will not be subject to significant reversal. Invoices are generally payable within the credit period agreed with customers. The Company does not expect that the period between the transfer of goods and payment exceeds one year; therefore, the transaction price is not adjusted for the time value of money.
Printing and packaging materials	The principal activity of the Company is the manufacture and sale of packaging materials and labels. Revenue is recognized when control of the goods is transferred to the customer, which generally occurs upon delivery in accordance with the contractual terms.

Expenses

- Selling and distribution expenses are costs arising from the Company's marketing and distribution activities.
- All other operating expenses, other than cost of sales, are classified as administrative expenses.
- Where required, common expenses are allocated between cost of sales, selling and distribution expenses, and administrative expenses on a reasonable basis, based on the nature and circumstances of the expenses.

Earnings per share

The Company presents basic and diluted earnings per share (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, if any.

Diluted EPS, if any, is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares.

Segment reporting

The disclosures for segment reporting are consistent with information reviewed by the chief operating decision-maker. The company discloses information about the applicable measurement bases, such as the nature and impact of any differences between the measurements used in the information on the reporting sectors and those measurements used and for which discrete financial information is available.

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6-

PROPERTY, PLANT AND EQUIPMENT

	Lands	Buildings	Machinery and equipment	Motor vehicles	Tools and equipment	Furniture	Computers	Work in Progress	Total
Cost:									
Balance at 1 January 2024	34,767,131	36,222,917	321,960,739	3,379,114	330,103	711,436	2,363,471	60,173,704	459,908,615
Additions	--	--	459,856	--	290,596	108,625	199,413	10,710,085	11,768,575
Transfers	--	--	22,651,895	452,756	2,064,173	--	710,523	(25,879,347)	--
Balance at 31 December 2024	34,767,131	36,222,917	345,072,490	3,831,870	2,684,872	820,061	3,273,407	45,004,442	471,677,190
Additions	--	--	1,402,851	335,690	46,362	28,872	128,108	16,254,999	18,196,882
Transfers	--	10,348,152	45,525,222	--	--	--	--	(55,873,374)	--
Balance at 31 December 2025	34,767,131	46,571,069	392,000,563	4,167,560	2,731,234	848,933	3,401,515	5,386,067	489,874,072
Accumulated depreciation:									
Balance at 1 January 2024	--	7,279,443	215,570,023	2,358,988	272,703	483,823	1,835,885	--	227,800,865
Charge for the year*	--	1,153,563	28,286,779	428,494	177,180	71,726	378,420	--	30,496,162
Balance at 31 December 2024	--	8,433,006	243,856,802	2,787,482	449,883	555,549	2,214,305	--	258,297,027
Charge for the year*	--	1,438,848	29,232,492	402,811	259,219	71,747	300,337	--	31,705,454
Balance at 31 December 2025	--	9,871,854	273,089,294	3,190,293	709,102	627,296	2,514,642	--	290,002,481
Net book value:									
As at 31 December 2024	34,767,131	27,789,911	101,215,688	1,044,388	2,234,989	264,512	1,059,102	45,004,442	213,380,163
As at 31 December 2025	34,767,131	36,699,215	118,911,269	977,267	2,022,132	221,637	886,873	5,386,067	199,871,591

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6- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation charged for the year ended 31 December is allocated as follows:

	2025	2024
Cost of revenue	30,435,270	29,023,642
Selling and distribution expenses	38,636	27,550
General and administrative expenses	104,728	127,481
Total	30,578,634	29,178,673

*Part of depreciation related to property, plant and equipment was capitalized amounting to 1.1 million (ﷲ) (2024: 1.3 million (ﷲ)) as part of the cost of inventories.

On February 2025, the company converted the printing and packaging factory buildings, machinery, and production lines from work in progress into property, plant, and equipment for an amount of (ﷲ) 55.87 million.

As of 31 December 2025, the loans referred to in notes (16) are secured by some lands, buildings, and machinery, and their net book value amounted to (ﷲ) 56.9 million (31 December 2024: (ﷲ) 70.1 million).

7- INTANGIBLE ASSETS

The movement in intangible assets during the years ended 31 December is as follows:

	2025 Computer software	2024 Computer software
Cost:		
Balance at beginning of the year	4,880,743	2,311,062
Work in progress	(251,295)	251,295
Additions	251,295	2,318,386
Balance As at the year end	4,880,743	4,880,743
Amortization:		
Balance at beginning of the year	1,374,029	961,874
Amortisation for the year	521,896	412,155
Balance at the year end	1,895,925	1,374,029
Net Book Value:		
As at 31 December	2,984,818	3,506,714

Intangible assets include computer software acquired by the Company having finite useful lives.

Allocation of amortization charge is as follows:

	2025	2024
Cost of revenue	234,565	156,447
General and administration expenses	287,331	255,708
	521,896	412,155

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8- INVESTMENT PROPERTIES

The Company records all investment properties at cost. The investment property consists of plots of land in Muzahimiyah, with a total area of 12,113 square meters (2024: 12,113 square meters). The carrying amount of the investment property as of 31 December 2025 amounted to (ﷲ) 1,67 million (2024: (ﷲ) 1,67 million).

The fair value of the investment property as of 31 December 2025 amounted to (ﷲ) 6.93 million (2024: (ﷲ) 6,83 million). The fair value of the real estate investment was determined by an external real estate valuer independent of the Company (Valuer: Shayeg Saleh Alshayeg Valuation Company, license number (1210001415)).

Valuation techniques used to determine fair value using market approach.

Valuation Technique	Description of Inputs	Assumption
Market approach	Comparable prices from similar properties	Selected based on location, size, and condition
Price per Square Meter	Average from comparable properties	Local market rate

9- TRADE RECEIVABLES

	2025	2024
Trade receivables	166,068,613	167,384,171
Due from related parties (Note 26)	24,577,429	27,566,266
	190,646,042	194,950,437
Less: Allowance for impairment of trade receivables	(31,444,180)	(30,874,013)
	159,201,862	164,076,424

The movement in allowance for impairment of trade receivables is as follows:

	2025	2024
Balance at beginning of the year	30,874,013	27,527,809
Allowance during the year	570,167	3,346,204
Balance at the end of the year	31,444,180	30,874,013

10- INVENTORIES

	2025	2024
Raw materials and packaging materials	49,956,208	76,638,909
Finished goods	41,753,868	45,218,069
Spare parts, supplies and oils	4,583,684	4,496,304
Goods-in-transit	--	7,743,243
	96,293,760	134,096,525

* There was no write-down of inventories during the year.

11- PREPAYMENTS AND OTHER RECEIVABLES

	2025	2024
Suppliers - debit balances (*)	9,076,184	13,152,391
Advances to suppliers	8,156,938	1,088,618
Prepaid expenses	2,100,419	2,442,843
Value added tax, net	387,673	247,868
Others	460,145	437,963
	20,181,359	17,369,683

* This balance represents the value of the discounts due for the year from the main supplier of the Company.

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12- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
Investments in shares of listed companies	8,360,304	13,074,480
Investments in an investment fund	12,818,477	10,591,205
Total investments	21,178,781	23,665,685

During the year 2025, the Company invested in a portfolio of investment shares that are traded in the Saudi Stock Exchange (Tadawul), represented by investing in the equity of a diversified group of Companies.

The portfolio is managed by the Investment Company for Securities and Brokerage - Alistithmar Capital, in accordance with the concluded management contract.

The fund valuation technique depends on net assets value which is performed by investment manager.

Investments are valued at fair value based on the traded prices of shares on the Saudi Stock Exchange (Tadawul). This resulted in a realized (losses) gain of (ﷲ) (0.122 million) 2024: 1.5 million and an unrealized (Losses) / gain that amounted to (ﷲ) (2.9 million) 2024: 0.212 million and dividends received During the year amounted to (ﷲ) 0.231 million (2024: 0.195 million) which were presented in the profit or loss statement. The investment movement for the year ended 31 December is as follows:

	2025	2024
Balance of investments at beginning of the year	23,665,685	23,350,382
Additions	5,124,251	17,340,079
Disposals	(4,589,559)	(18,767,298)
Realized (Loss) / gain	(122,315)	1,529,694
Fair value adjustment	(2,899,281)	212,828
Balance at the end of the year	21,178,781	23,665,685

13- CASH AND CASH EQUIVALENTS

	2025	2024
Cash at bank	7,252,230	5,342,408
Cash on hand	14,057	22,914
	7,266,287	5,365,322

14- SHARE CAPITAL

As of 31 December 2025, the Company's authorized and fully paid-up share capital amounted to (ﷲ) 225 million (2024: (ﷲ) 225 million), divided into 225million ordinary shares of (ﷲ) 1 per share (2024: 22,5 million ordinary shares of (ﷲ) 10 per share).

On 19 August 2025 Board of directors recommended stock split from 10 (ﷲ) to 1 (ﷲ) per share which was approved by Extraordinary general assembly meeting held on 18 November 2025 (Corresponding to 27 Jumada al-Awwal 1447 H), Earnings per share have been calculated after considering the split that occurred during 2025.

Earnings per share have been calculated after considering the share split.

Comparative figures have been retrospectively adjusted to reflect this split, in accordance with IAS 33.

15- EMPLOYEES' END OF SERVICE BENEFITS LIABILITY

The Company calculates employees' end of service benefits according to laws and regulations in Kingdom of Saudi Arabia. Additionally, the Company re-measures the employees' end of service benefits using the projected credit unit method by a qualified actuary.

In Kingdom of Saudi Arabia, the plan entitles an employee who has completed over two but less than five years of service, to receive a payment equal to one-third of their final salary for each completed year of service. Similarly, an employee who completed over five, but with less than ten years of service receives a payment equal to two-thirds of their final salary for each completed year of service. Further, an employee who completed over ten years of service receives a payment equal to their final salary for each completed year of service.

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15- EMPLOYEES' END OF SERVICE BENEFITS LIABILITY (CONTINUED)

The most recent actuarial valuation of the present value of the end- of -service benefit obligation was carried out on 31 December 2025. During the financial year, no material fluctuations or events affected the actuarial assumptions used to calculate the liability, except for a decrease in the discount rate, as described below.

The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

The company administers end-of-service benefit plans in accordance with the Saudi Arabian Labor Law. Post-employment benefit plans are not funded.

15-1 Movement in employees' benefits obligation

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability:

	2025	2024
Balance at the beginning of the year	<u>3,169,843</u>	<u>2,697,157</u>
Included in the statement of profit or loss		
Current service cost during the year	540,889	445,237
Finance cost during the year	186,156	151,025
Paid during the year	<u>(206,675)</u>	<u>(56,359)</u>
	520,370	539,903
Included in other comprehensive income		
Gains from actuarial revaluation	<u>(89,116)</u>	<u>(67,217)</u>
Balance at the end of the year	<u>3,601,097</u>	<u>3,169,843</u>

15-2 Actuarial assumptions

The principal actuarial assumptions at the reporting date (expressed as a weighted average) are as follows:

	2025	2024
Discount rate	5.50%	5.65%
Future salary growth	5.00%	5.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities used to estimate the defined benefit obligation at the reporting date were as follows.

	2025	2024
Average age	<u><u>34.52</u></u>	<u><u>33.87</u></u>

At 31 December, the weighted-average duration of the defined benefit obligation was as follows:

	2025	2024
Weighted-average duration (in years)	<u><u>4.08</u></u>	<u><u>3.54</u></u>

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15- EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)**15-3 Sensitivity analysis**

Reasonably possible changes in the reporting date of one of the actuarial assumptions relevant to the assumption that other assumptions remain unchanged may affect the defined benefit obligations amount as follows:

	2025		2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(3,306,060)	3,945,478	(2,908,310)	3,475,008
Future Salary Growth Rate (1% change)	3,943,722	(3,302,121)	3,473,919	(2,904,469)

The balance of other reserve represents the re-measurement of employees' benefits resulting from the actuarial report, the balance as of 31 December 2025 (ﷻ) 0.59 million (2024: (ﷻ) 0.50 million).

16- LOANS**a) Short-term loans**

	2025	2024
Short-term loans (*)	<u>164,665,244</u>	<u>196,294,717</u>

(*) These short-term loans are mainly used to finance the working capital requirements of the Company. The Company did not use these short-term loans to finance capital expansions.

b) Long-term loans

	2025	2024
Saudi Industrial Development Fund (SIDF)	<u>6,325,000</u>	<u>28,855,000</u>
Less: deferred finance cost	<u>(475,000)</u>	<u>(824,595)</u>
	<u>5,850,000</u>	<u>28,030,405</u>

Presented in the statement of financial position as follows:

Non-current portion	<u>3,510,000</u>	<u>5,850,000</u>
Current portion	<u>2,340,000</u>	<u>22,180,405</u>
	<u>5,850,000</u>	<u>28,030,405</u>
Total loans	<u>170,515,244</u>	<u>224,325,122</u>

c) Total movement in loans

	2025	2024
Balance as at beginning of the year	<u>224,325,122</u>	<u>250,922,184</u>
Proceeds from loans during the year	<u>432,904,264</u>	<u>549,713,731</u>
Repayment of loans during the year	<u>(488,666,340)</u>	<u>(579,811,625)</u>
Finance costs during the year	<u>15,431,983</u>	<u>19,994,576</u>
Finance costs paid during the year	<u>(13,479,785)</u>	<u>(16,493,744)</u>
Balance at the end of the year	<u>170,515,244</u>	<u>224,325,122</u>

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16- LOANS (CONTINUED)**d) Bank facility agreements**

The Company obtained credit facilities from local banks, long-term and short-term loans, and letters of credit with a financing ceiling of (ﷲ) 270 million. These facilities were obtained under Murabaha and Tawarruq agreements to finance working capital and some expansions and capital expenditure requirements (ﷲ) 20 million to finance the investment in the shares of listed entities and investment in the investment fund. The company did not use the limit of capital expenditure and real estate investments.

These facilities were obtained under Murabaha and Tawarruq agreements to finance working capital and some expansions, capital expenditure, general, and real estate requirements.

As of 31 December 2025, unused facilities and open letters of credit amounted to (ﷲ) 111.1 million (31 December 2024: (ﷲ) 360.1 million). The credit facility agreements are secured by promissory notes issued by the Company. The facility agreements include covenants relating to restrictions on dividends and other matters that require a minimum net worth and certain financial ratios that must be maintained accordingly.

The borrowings include certain covenants. Breach of these covenants in the future may lead to renegotiation. The management monitors covenants monthly, and in the event of a breach expected in the future, the management takes the necessary measures to ensure compliance.

Company borrowing interest rates range from SAIBOR + (1.4% to 1.6%) interest rate during the year.

All the borrowings mentioned above are borrowings that comply with the provisions of Islamic Sharia.

17- ACCRUED EXPENSES AND OTHER PAYABLES

	2025	2024
Remunerations and allowances of the Company's Board of Directors and Committees (Note 26)	1,253,000	1,142,000
Leave vacations accruals	893,228	596,549
Accrued expenses – electricity	840,179	902,744
Accrued air tickets	808,624	647,762
Accrued expenses – professional fees	539,476	310,208
Contract Liability	465,582	364,147
Accrued bonus	450,000	750,000
Others	1,666,279	2,949,570
	6,916,368	7,662,980

18- ZAKAT PROVISION

The Company filed the Zakat declarations for the years 2012 to 2024. Zakat for the year 2023 has been assessed and fully settled, with a Zakat certificate issued, valid until 30 April 2026. The Zakat declaration for the year 2024 is currently under review by the Zakat, Tax and Customs Authority (ZATCA), and there are no pending Zakat disputes. (Refer to note 30)

18-1 Zakat base for the current year is calculated as follows:

	2025	2024
Equity, opening provisions and other Adjustments	338,139,805	369,125,755
Book value for long term assets	(259,070,301)	(299,696,090)
Total	79,069,504	69,429,665
Zakat base	79,069,504	69,429,665

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18- ZAKAT PROVISION (CONTINUED)

18-2 The movement in Zakat provision during the year was as follows:

	2025	2024
Balance at the beginning of the year	1,745,862	7,167,200
Provided during the year	2,420,817	3,173,345
Paid during the year	(1,783,108)	(8,594,683)
Prior years adjustments	37,247	--
Balance at the end of the year	2,420,818	1,745,862

19- COST OF SALES

	For the year ended 31 December	
	2025	2024
Raw material cost	352,497,451	418,349,830
Depreciation and amortization	30,669,835	29,180,089
Electricity	18,602,894	16,447,561
Salaries and related costs	13,754,575	12,240,111
Others	9,612,931	7,859,691
	425,137,686	484,077,282

20- SELLING AND DISTRIBUTION EXPENSES

	For the year ended 31 December	
	2025	2024
Transportation expenses	14,122,295	12,936,891
Salaries and wages	1,199,477	901,540
Selling commissions	253,000	246,571
Depreciation (Note 6)	38,636	27,550
Customers Rebate	--	1,083,026
Other expenses	757,074	591,873
	16,370,482	15,787,451

21- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2025	2024
Salaries and wages	4,342,608	4,991,404
Professional and consultancy fees	1,646,085	1,169,759
Remunerations and allowances of the Company's Board of Directors and Committees	1,244,000	733,000
Defective tools and equipment	960,331	843,618
Depreciation and amortization (Note 6 and 7)	392,059	383,189
Other expenses	1,086,008	1,653,953
	9,671,091	9,774,923

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22- DIVIDENDS

The extraordinary general assembly meeting held on 4 June 2025 (corresponding to 8 Dul-Alhaji 1446) based on the recommendation of the Company's Board of Directors held on 19 Mar 2025 (corresponding to 19 Ramadan 1446), approved to distribute cash dividends of (ﷲ) 10.1 million for the financial year 2024, amounting to (ﷲ) 0.45 per share. It is due to the shareholders who own shares at the end of trading on the day of the assembly meeting and who are registered in the Company's shareholders' register with the Depository Center Company at the end of the second trading day following the due date. It was paid in full on 19 June 2025.

23- CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER LIABILITIES

Contingent liabilities are disclosed when an obligation exists that will be confirmed only by future events or when the obligation cannot be reliably measured. Contingent assets are not recognized but are disclosed when an outflow of economic benefits is probable.

As of 31 December 2025, contingent liabilities related to letters of credit amounted to (ﷲ) 13,2 million (2024: (ﷲ) 6,6 million).

As of 31 December 2025, the capital commitments related to work in progress amounted to (ﷲ) 2.2 million representing mainly in contracting for a new production line (2024: (ﷲ) 2,7 million).

The Company has obligations under promissory notes that equal the total amount of loans granted to it.

24- EARNINGS PER SHARE
Basic and diluted earnings per share

Basic earnings per share are calculated by dividing income for the year attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Profit for the year	<u>3,196,552</u>	<u>12,077,393</u>
<u>No. of shares</u>		
Weighted average number of shares (Note 14)	<u>225,000,000</u>	<u>225,000,000</u>
Basic and diluted earnings per share (ﷲ)	<u><u>0.014</u></u>	<u><u>0.054</u></u>

The diluted earnings per share are the same as the basic earnings per share as the Company has no diluted instruments.

On 19 August 2025 Board of directors recommended stock split from (ﷲ) 10 to (ﷲ) 1 per share which was approved by Extraordinary general assembly meeting held on 18 November 2025, Earnings per share have been calculated after considering the share split that occurred during 2025. Comparative figures have been retrospectively adjusted to reflect this split, in accordance with IAS 33.

25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their best economic interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The table below shows the carrying values and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value information on financial assets and financial liabilities that are not measured at fair value if the carrying amount is reasonably close to the fair value.

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25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)

	31 December 2025						
	Book value		Fair value				
	Fair value	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Trade receivables	---	190,646,042	190,646,042	---	---	---	190,646,042
Cash and cash equivalents	---	7,266,287	7,266,287	---	---	---	7,266,287
Investments at FVTPL	21,178,781	---	21,178,781	8,360,304	12,818,477	---	21,178,781
Total	21,178,781	197,912,329	219,091,110	8,360,304	12,818,477	---	219,091,110
Financial liabilities							
Short-term loans	---	164,665,244	164,665,244	---	---	---	164,665,244
Long-term loans	---	5,850,000	5,850,000	---	---	---	5,850,000
Trade payables	---	34,010,601	34,010,601	---	---	---	34,010,601
Total	---	204,525,845	204,525,845	---	---	---	204,525,845
	31 December 2024						
	Book value		Fair value				
	Fair value	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Trade receivables	---	194,950,437	194,950,437	---	---	---	194,950,437
Cash and cash equivalents	---	5,365,322	5,365,322	---	---	---	5,365,322
Investments at FVTPL	23,665,685	---	23,665,685	13,074,480	10,591,205	---	23,665,685
Total	23,665,685	200,315,759	223,981,444	13,074,480	10,591,205	---	223,981,444
Financial liabilities							
Short-term Loans	---	196,294,717	196,294,717	---	---	---	196,294,717
Long-term Loans	---	28,030,405	28,030,405	---	---	---	28,030,405
Trade payables	---	28,203,047	28,203,047	---	---	---	28,203,047
Total	---	252,528,169	252,528,169	---	---	---	252,528,169

The Company is exposed to the following risks arising from financial instruments:

- Credit risk.
- Liquidity risk
- Market risk

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25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)**25-1 Risk management framework****Board of Directors**

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Audit Committee

The Company's Audit Committee assesses how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risks faced by the Company and the way these risks are mitigated by management are summarized below:

25-2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The fair value of financial assets represents the maximum credit exposure.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and the country in which customers operate

The Board of Directors established a credit policy according to which each new customer is evaluated individually for creditworthiness before contracting him and accepting him as a customer with the Company.

The Company's review includes external ratings, if they are available, and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days per year for customers.

The Company has an allowance for impairment that represents the best estimate of expected credit losses with respect to trade receivables (Note 9).

The significant concentrations of the Company's risks by sector and geographical region are assessed in (Notes 27).

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25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)**25-2 Credit risk (Continued)**

	2025	2024
Trade receivables	166,068,613	167,384,171
Cash at bank	7,252,230	5,342,408
Investments at FVTPL	21,178,781	23,665,685
	194,499,624	196,392,264

As of 31 December 2025, the trade receivables balances include a balance of (ﷲ) 43,44 million (2024: (ﷲ) 44,3 million) for two of the largest Company's customers.

As of 31 December, the ageing analysis of trade receivables was as follows:

ageing	2025		2024	
	Balance	Expected Credit losses	Balance	Expected Credit losses
Current (not past due)	73,231,727	966,489	84,424,038	1,741,564
1-90 days	47,814,924	1,281,367	50,079,567	2,284,247
91-180 days	23,646,652	1,911,040	26,196,186	2,145,938
181-270 days	11,133,532	1,667,314	10,045,682	2,197,325
271-360 days	5,079,540	1,883,433	3,415,643	1,715,618
More than 360 days	29,739,667	23,734,537	20,789,321	20,789,321
Balance at the end of the year	190,646,042	31,444,180	194,950,437	30,874,013

The company establishes a provision for all receivables overdue for more than 360 days (2024: 360 days). As of December 31, 2025, the expected credit losses on trade receivables amounted to 31.44 million (ﷲ) (Note 9) (2024: 30.87 million (ﷲ)).

As of 31 December 2025, the Company maintains cash and cash equivalents of (ﷲ) 7,27 million (2024: (ﷲ) 5,37 million) with banks having good credit ratings.

25-3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount more than expected cash outflows on financial liabilities (other than trade payables) over the next 90 days.

The Company has unused bank facilities and open letters of credit amounted to (ﷲ) 105,1 million (2024: (ﷲ) 360,03 million) as at the date of the statement of financial position to meet liquidity requirements (Note 16-d).

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25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)

25-3 Liquidity risk (continued)

The following is an analysis of the undiscounted contractual maturity of the Company's financial liabilities as at 31 December.

31 December 2025	Less than one year	From one year to 3 years	More than 3 years	Interest payable for future period	Total contractual agreements	Carrying amount
Non-derivative financial liabilities						
Loans	167,005,244	3,510,000	--	1,952,197	172,467,441	170,515,244
Trade payables	34,010,601	--	--	--	--	34,010,601
Accrued expenses and other payables	6,916,368	--	--	--	--	6,916,368
	207,932,213	3,510,000	--	1,952,197	172,467,441	211,442,213
31 December 2024	Less than one year	From one year to 3 years	More than 3 years	Interest payable for future period	Total contractual agreements	Carrying amount
Non-derivative financial liabilities						
Loans	218,475,122	4,680,000	1,170,000	3,500,831	227,825,953	224,325,122
Trade payables	28,203,047	--	--	--	--	28,203,047
Accrued expenses and other payables	7,662,980	--	--	--	--	7,662,980
	254,341,149	4,680,000	1,170,000	3,500,831	227,825,953	260,191,149

The Company has no significant liquidity risks.

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25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)**25-4 Market risk**

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

Market risk comprises three types of risk: currency risk, interest rate risk, and capital management risk.

25-4-1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates.

The Company is not exposed to fluctuations in foreign exchange rates during the normal course of business, since most of the company's core transactions are conducted in (ﷻ) and US dollars.

Since the Saudi Riyal is pegged against the US Dollar, there are no significant risks associated with transactions and balances denominated in US Dollars.

25-4-2 Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long-term borrowings. Borrowings approved at variable interest rates expose the Company to interest rate risk on cash flows.

		Increase/decrease in base points related to commission rates	Effect on income of the year
<u>31 December 2025</u>	(ﷻ)	+100	(2,010,158)
	(ﷻ)	-100	2,010,158
<u>31 December 2024</u>	(ﷻ)	+100	(2,466,782)
	(ﷻ)	-100	2,466,782

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25- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)**25-4 Market risk (continued)****25-4-3 Capital management**

The Board of Directors' policy is to maintain a sufficient capital base to maintain investors, creditors, and market confidence and to sustain the future development of the business.

The Board of Directors monitors the capital based on the debt ratio.

This ratio is calculated based on (adjusted net debt) divided by (adjusted equity and adjusted net debt).

Net debt is calculated as total borrowings (including "short and long term" bank borrowings as shown in the statement of financial position) less cash and cash equivalents.

Adjusted equity is calculated as "equity" as described in the statement of financial position plus adjusted net debt.

The Company's strategy was to keep the adjusted debt-to-equity ratio adjusted to moderate limits. The debt ratios on 31 December were as follows:

	2025	2024
Total loans	170,515,244	224,325,122
Less: Cash and cash equivalents	(7,266,287)	(5,365,322)
Adjusted net debt (a)	163,248,957	218,959,800
Total equity	291,025,676	297,865,008
Adjusted equity and net debt (b)	454,274,633	516,824,808
Adjusted debt ratio from adjusted equity (a) / (b)	36%	%42

When managing the capital, the Company aims to protect the Company's ability to continue as a going concern as it can continue to provide returns to shareholders and other stakeholders.

The Company manages capital structure in the context of economic circumstances and the characteristics of the risks of principal assets. To maintain or adjust capital structure, the Company may adjust the dividends paid for shareholders and issue new shares.

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26- RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of its activities, the Company transacts business with related parties including companies owned by some shareholders, the Board of Directors, and key management personnel of the Company.

Related party transactions entered during the year, and related balances as included in the statement of financial position in the selling of finished products represented in preforms, plastic sheets of different sizes and weights, printed materials (labels), and packaging materials (shrink and stretch film). selling and buying raw materials, colors, and packaging with Hana Food Industries Company (Entity under common control of main shareholder) ultimate controlling shareholder for entities is the chairman. The following are the transactions and balances of related parties:

	For the year ended 31 December	
	2025	2024
<u>Transactions:</u>		
Sale of goods to Hana Food Industries Company (Net sales including VAT)	24,513,320	28,762,287
Purchases of goods from Hana Food Industries Company	--	50,400
<u>Key management remuneration:</u>		
Annual salaries, allowances, and remuneration for Key Management Personnel	3,718,401	3,431,583
Allowance to attend the meeting of the Company's Board of Directors and Committees	323,000	176,000
Board of Director's remunerations	810,000	130,000
Key Management Personnel End-of-Service Benefits	195,394	393,212
<u>Balances</u>		
Due from related parties included in trade receivables		
Hana Food Industries Company	24,577,429	27,566,266
Expected credit loss balance in trade receivables of Hana Food Industries Company	1,741,359	1,311,997
Key Management Personnel included in other receivables	273,030	319,485
Key Management Personnel End-of-Service Benefits	1,791,616	1,596,222
Allowance to attend meetings of the Company's Board of Directors and Committees included under accrued expense	263,000	332,000
Board of Directors remuneration included under accrued expenses	990,000	810,000

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27- SEGMENT INFORMATION**27-1 Basis for segmentation**

The Company has the following strategic sectors, which are its operational sectors. These sectors offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reporting segment.

Industry Group	Nature of segment's businesses
Plastic bottles preform	The principal activity includes manufacturing and selling plastic preforms.
Plastic caps	The principal activity includes manufacturing and selling plastic caps.
Printing	The principal activity includes the manufacturing and selling of Packaging labels (flexible packaging) and self-adhesive stickers.
Packing and packaging	The principal activity includes manufacturing and selling of packing.

The Company's Chief Executive Officer reviews the internal management reports result of each department periodically.

Information related to each reportable segment is set out below. Segment profit / (Loss) before Zakat is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries:

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27- SEGMENT INFORMATION (CONTINUED)

27-2 Information about reporting segments

Information related to each reportable segment is set out below.

	Reporting segments			
	Plastic bottles perform segment	Plastic caps segment	Printing segment*	Packing segment*
(ﷻ)				Total
For the year ended 31 December 2025				
Sales	363,352,823	99,593,668	4,958,364	7,436,983
Cost of sales	(330,056,957)	(78,656,751)	(7,167,947)	(9,256,031)
Gross profit / (Loss)	33,295,866	20,936,917	(2,209,583)	(1,819,048)
				50,204,152
Selling and distribution expenses	(10,533,896)	(4,808,339)	(398,635)	(629,612)
General and administrative expenses	(6,730,129)	(2,496,741)	(198,958)	(245,263)
Expected credit losses on trade receivables	(475,381)	(94,786)	--	--
Other income	184,810	91,723	4,398	3,890
Operating profit / (Loss)	15,741,270	13,628,774	(2,802,778)	(2,690,033)
				23,877,233
Finance costs	(11,651,792)	(3,398,659)	(152,007)	(229,525)
Profit / (Loss) before zakat	4,089,478	10,230,115	(2,954,785)	(2,919,558)
As of 31 December 2025,				
Segments Machinery and equipment	66,227,458	20,492,604	15,087,103	17,104,104
				118,911,269

*New Segments started operation in Q1 2025.

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27-
SEGMENT INFORMATION (CONTINUED)

27-2 Information about reporting segments (continued)

Information related to each reportable segment is set out below:

(株)	Reporting segments				
	Plastic bottles perform segment	Plastic caps segment	Printing segment	Packing segment	Total
For the year ended 31 December 2024					
Sales	445,319,940	99,368,080	--	--	544,688,020
Cost of sales	(408,871,068)	(75,206,214)	--	--	(484,077,282)
Gross profit	36,448,872	24,161,866	--	--	60,610,738
Selling and distribution expenses	(11,429,264)	(4,358,187)	--	--	(15,787,451)
General and administrative expenses	(8,223,227)	(1,551,696)	--	--	(9,774,923)
Expected credit losses on trade receivables	(2,869,432)	(476,772)	--	--	(3,346,204)
Other income	1,299,866	306,147	--	--	1,606,013
Operating profit	15,226,815	18,081,358	--	--	33,308,173
Finance costs	(16,820,515)	(3,174,061)	--	--	(19,994,576)
(Loss) / profit before zakat	(1,593,700)	14,907,297	--	--	13,313,597
As of 31 December 2024					
Machinery and equipment	72,974,818	28,240,870	--	--	101,215,688

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27- SEGMENT INFORMATION (CONTINUED)

27-2 Information about reporting segments (continued)

Segment profit (loss) before Zakat is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries:

The Company's sales in the local market and export sales are allocated as follows:

Revenue for the year ended	Local sales	Export sales	Total sales
31 December 2025	409,780,382	65,561,456	475,341,838
31 December 2024	462,349,180	82,338,840	544,688,020

Export sales are as follows:

	For the year ended 31 December	
	2025	2024
Yemen	54,723,875	72,798,208
Jordan	4,493,389	3,810,790
Kuwait	1,761,270	1,569,260
Bahrain	1,419,987	1,672,544
Tunisia	872,855	--
Sudan	859,561	455,119
Djibouti	651,674	--
Qatar	612,480	191,400
Emirates	166,365	399,474
Oman	--	1,374,706
Lebanon	--	67,339
Total export sales	65,561,456	82,338,840

The balances of the company's clients are distributed in the local and export markets as follows:

Accounts receivables balance for the year ended	Trade receivables from local market customers	Trade receivables from export market customers	Total
31 December 2025	160,152,235	30,493,807	190,646,042
31 December 2024	159,526,693	35,423,744	194,950,437

27-3 The main customer and supplier

As of 31 December 2025, sales of the main two customers of the Company represent 34.23 % in the amount of (ﷲ) 162,7 million (2024: 34.2% in the amount of (ﷲ) 186,3 million).

As of 31 December 2025, purchases from the major supplier of the Company represent 75.35 % amounting to (ﷲ) 252,9 million (31 December 2024: 80.62% amounting to (ﷲ) 355,8 million) of the Company's total purchases.

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28- FEES FOR AUDIT AND PROFESSIONAL CONSULTING

The Fees for Audit and Professional Consulting are as follows:

	For the year ended 31 December	
	2025	2024
- Audit and review fees of financial statements - RSM Allied Accountants for Professional Consulting.	--	465,000
- Audit and review fees of financial statements – KPMG.	800,000	--
- Annual declaration fees for the Zakat, Tax and Customs Authority - Ernst & Young Professional Services.	128,000	35,000
- Interest disclosure report fees under Article 71 of the Companies Law - KPMG .	45,000	--
- Interest disclosure report fees under Article 71 of Companies Law - RSM Allied Accountants for Professional Consulting.	--	15,000
- Fees for a report and procedures related to bad accounts receivable for the Zakat, Tax and Customs Authority - Dr. Mohammed Al-Amri & Co. BDO.	--	40,000
- Professional and advisory services fees for the Zakat, Tax and Customs Authority's examination - Ernst & Young Professional Services.	63,000	37,000
- Fees for preparing a report on expected credit losses in trade receivables - AL Khurashi Professional Services-Q1.	30,000	--
- Fees for assistance in expected credit losses report on trade receivables - KPMG Professional Services for year ended 2024. *	67,500	45,000
	1,133,500	637,000

*Fees for assistance in preparing the expected credit losses report for trade receivables for the first quarter of 2025 and for the year ended 31 December 2024, which were reviewed by another auditor.

29- COMPARATIVE FIGURES

During the year ending 31 December 2025, the company has reclassified some comparative figures to align with the presentation of the current year. The reclassification had no impact on the profit or loss or on equity.

The reclassification of finance cost paid for short-term loans from financing activities to operating activities.

The reclassification of purchase of investments at fair value through profit or loss and proceeds from the sale of investments at fair value through profit or loss from investment activities to operating activities.

The table below illustrates the impact on the cash flow statement for the year ended 31 December 2024:

Statement of Cash flows	Impact of reclassification		
	Issued financial statements	Adjustments	Amended financial statements
Net cash flow generated from operating activities	86,080,206	(12,948,040)	73,132,166
Net cash flow used in investing activities	(12,659,742)	(1,427,219)	(14,086,961)
Net cash flow used in financing activities	(74,848,153)	14,375,259	(60,472,894)

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30- SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events after the date of the financial statements and before the issuance of these statements that would require adjustment or disclosure, except for the following:

- 1- Legal case: This case relates to an objection submitted by the company regarding the Zakat assessment issued by the Zakat, Tax, and Customs Authority for the fiscal years 2019 and 2020, which included the addition of certain financing items and advance payments to the Zakat base. The appellate panel has reviewed the objections submitted by the company and the authority issued a decision to accept the appeal procedurally and confirm it, thereby resolving the disputes.
- 2- Geopolitical and Security Developments: The Middle East region has witnessed rapid geopolitical and security developments, leading to an increased level of instability in some regional markets.

Management has assessed these developments in accordance with the requirements of International Accounting Standard (IAS) 10 "Events after the Reporting Period", and concluded that these events are classified as non-adjusting subsequent events, as they arose from conditions that were not present at the date of the financial statements. Accordingly, they do not result in any adjustments to the balances or disclosures reported in the financial statements for the year ended 31 December 2025.

Based on the information available up to the date of approval of the financial statements, management has not identified any material indicators that could adversely affect the Company's ability to continue operating as a going concern. Management will continue to monitor the relevant developments and take appropriate actions when necessary.

31- APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Board of Directors on 14 Ramdan 1447H (corresponding to 3 March 2026).



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company

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